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Daily Report

China

FBIS-CHI-90-082
Friday
27 April 1990

Daily Report

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FBIS-CHI-90-082

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27 April 1990

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General

Further Reportage on Beijing World Law Conference

Legal Efforts Hailed

OW2704080590 Beijing XINHUA in English
0548 GMT 27 Apr 90

[Full text of the "Beijing Declaration" adopted at the closing session of the 14th Conference on the Law of the World on 27 April]

[Text] Beijing, April 27 (XINHUA)—The Fourteenth Conference on the Law of the World, sponsored by the World Peace Through Law Center, was held in Beijing from April 22 to 27, 1990.

Outstanding experts and scholars in the law, representing major legal systems and from many countries and regions in the world, are gathered here in Beijing for this conference.

It is internationally acknowledged that China has established itself as a strong nation and a major power in the family of nations.

The conference recognizes China's ongoing achievements in attaining economic and social development, and in strengthening its legal system as an integral part of its national development policies.

These improvements have taken place in a country with a population of 1.1 billion. As China and its people move forward along the path of reform, opening to the outside world and the rule of law, the conference looks for China to continue to make progress and improvements in all these fields.

After thoughtful deliberations on the theme of law for world peace and development, the conference concludes on a productive note and has established an active work agenda for the future.

Dramatic changes are transforming the international arena. With concerted efforts of the world community, there has emerged a new prospect for peace. However, as the world situation remains turbulent, we must continue our quest for durable world peace.

The arms race, especially the existence of huge nuclear arsenals, threatens the survival of humanity. We welcome the progress in the arms control talks between the United States and the Soviet Union. However, the arms race has yet to be halted.

The conference calls upon all nations to accelerate the world-wide and regional efforts to ban all nuclear, chemical and biological weapons and to replace the arms race with disarmament.

The maintenance of world peace depends on strict compliance by every state with the purposes and principles of the UN Charter. Nations must commit themselves to mutual respect for each other's sovereignty and

territorial integrity, non-aggression, non-interference in internal affairs. The conference urges all countries to seek settlement of international disputes through peaceful means without resorting to the use or threats of force. Controversies between states should be resolved by direct negotiation, conciliation, arbitration or mutual resort to the international court of justice.

The world community has made spectacular advances in science and technology, and is endowed with sufficient natural resources to enhance the well-being of all. Unfortunately, many developing countries suffer from starvation, poverty, unemployment, heavy external debt and environmental degradation. The gap between rich and poor countries is widening.

Consequently, issues of development, growth and equity must be given top priority at the national and international levels.

The conference reaffirms every nation's right to development, with its concomitant obligations. It calls upon the developed and developing countries to settle, through negotiations, pressing issues of debt crises, trade, credit and finance, and establish equitable economic structures.

The conference calls upon all countries to accede to the international human rights instruments and ensure through national legislation respect for every individual's fundamental human rights and freedoms.

All countries must take concerted action to prevent and deter international terrorism and to punish terrorists. Countries must also take effective measures against the illegal production of and trafficking in narcotics.

The conference calls upon the world community to adopt effective international agreements to protect the global environment, with consultation among and the widest participation of all countries. The conference urges that each nation endeavor to perfect its internal energy legislation in order to promote reasonable exploitation and environmentally sound utilization of its energy resources.

World peace and development must be based on equitable, reasonable and effective legal principles. We are convinced that the achievement of the Beijing conference will have far-reaching impact on the cause of law for world peace and development. The conference pledges to strive for and maintain a world of peaceful cooperation and friendship through the rule of law, the moral and physical resources of the centre and the unremitting efforts of its members.

ICJ Head Stresses Cooperation

OW2704051290 Beijing XINHUA in English
1136 GMT 26 Apr 90

[Text] Beijing, April 26 (XINHUA)—The preservation of world peace calls for international co-operation

between all countries, said Jose Maria Ruda, president of the International Court of Justice [ICJ] of the United Nations.

In an exclusive interview with XINHUA here today, Ruda, who is here to attend the on-going 14th Conference on the Law of the World, reiterated that law must serve world peace and development.

He said peace should be considered from a positive angle and not as a circumstantial state of affairs, as a mere interlude between wars.

The president said, "We renounce all power politics, whether military or economic, all forms of imperialism, whether military or economic, and all discrimination."

Ruda spoke about the court's endeavors over the past few years to maintain world peace and settle disputes among countries.

He said that through the court's arbitration part of these disputes had been settled and progress had been made in settling others. He cited the settlement of border conflicts in Africa, bay disputes in North America and disputes between some North American and European enterprises.

He said the Latin American countries are facing a very difficult period and expressed the hope that European and Asian countries will pay more attention to the development of Latin America. He also hopes that northern countries will increase co-operation with southern countries.

Speaking of the current conference, Ruda said it is a well-organized, grand gathering by world law professionals to discuss important issues of the world. He expressed hope that a resolution due to pass at tomorrow's closing meeting will "contribute to international peace and security."

Yao Yilin Meets Indian Official at FAO Meeting

*OW2604181490 Beijing XINHUA in English
1421 GMT 26 Apr 90*

[Text] Beijing, April 26 (XINHUA)—China's Acting Premier Yao Yilin and Indian Deputy Prime Minister Devi Lal assured each other here today that China and India will further expand their friendly relations and co-operation.

Yao met Lal and his party here today. Lal, who is also Indian minister of agriculture, is here to attend the 20th FAO (UN Food and Agriculture Organization) regional conference for Asia and the Pacific.

Yao and Lal expressed their pleasure at the growth of Sino-Indian relations in recent years.

Lal said that the Indian Government is resolved to maintain its friendly ties with China and the identity of various Indian parties' policies toward China.

He pointed out that it is of great importance for India and China to trust each other and co-operate at a time the world is undergoing great changes.

Yao said China will, on the basis of the five principles of peaceful coexistence, continue to work to expand good-neighborly and friendly relations with India.

Expanding Sino-Indian ties is conducive to the cause of world peace, he said, adding that China hopes that the new Indian Government will contribute to further expanding the bilateral relations.

He said there is an age-old traditional friendship between China and India. The five principles of peaceful coexistence, initiated jointly by the late Chinese and Indian premiers, have withstood historical tests, he noted.

Lal said India hopes a new international economic order will be established on the basis of the five principles.

Both Yao and Lal stressed the importance of agriculture in the two countries' economies.

Yao said both China and India are countries where agriculture accounts for a very big proportion of the national economy. The development of agriculture means the prosperity of the nation and the improvement of the people's living standards. Industrialization can only grow rapidly on the basis of agricultural development.

They said the two countries will conduct agricultural co-operation and exchanges. Lal emphasized the importance of Sino-Indian mutual help, co-operation and exchanges in agriculture. Yao said he hoped Lal's current visit would serve as a good start for this.

Lal reiterated the Indian Government's invitation to Chinese Premier Li Peng to visit India.

Yao promised to convey the message to Li Peng.

Chinese Minister of Agriculture He Kang was present at the meeting.

Zheng Tuobin Meets Delegates at UN Session

*OW2704045190 Beijing XINHUA Domestic Service
in Chinese 1503 GMT 25 Apr 90*

[By reporter Lei Lili (7191 0500 0448)]

[Text] United Nations, 24 Apr (XINHUA)—Zheng Tuobin, head of the Chinese delegation to the UN special economic session and minister of foreign economic relations and trade, met with heads of the Bolivian, Korean, Serbian, Bangladeshi, and Pakistani delegations at the UN headquarters on 24 April, and exchanged views with them on some issues relating to the special session and on bilateral relations.

According to an official of the Chinese delegation present at the meeting, Zheng Tuobin, in meeting with

Bolivian Minister of Planning and Coordination Enrique Garcia, noted that current economic developments in the world are extremely uneven, with the gap between the North and South growing ever wider, and that this has resulted in an unfavorable situation for the developing countries. He hoped that the UN special session will help spur economic growth in the developing countries, promote substantive North-South dialogue, and make progress in resolving the debt issue, stopping the reverse flow of funds, stabilizing prices of primary products, and opposing trade protectionism.

As chairman of the Group of 77, Garcia expressed satisfaction with China's cooperation with the group over the years, and extended his gratitude for China's support for the group's stance on current world economic developments.

Zheng Tuobin said: China and the Group of 77 share identical views on many issues. He expressed the hope that the UN special session will ultimately turn out a positive final document through the efforts of the Group of 77.

In meeting with Pakistani Foreign Minister Sahabzada Yaqub Khan, Zheng Tuobin expressed concern over the recent tension in the Kashmir area. He hoped that India and Pakistan will resolve the issue through peaceful negotiations and ease the tension without delay. Zheng Tuobin said: This will not only serve the interests of India and Pakistan but also relations in south Asia as a whole. He welcomed the plan of India and Pakistan to meet here while attending the UN special session, and hoped that the meeting between the foreign ministers of the two countries will be fruitful.

In meeting with the Korean, Bangladeshi, and Somalian foreign ministers, Zheng Tuobin expressed satisfaction over China's friendly relations with those countries. He told Bangladeshi Foreign Secretary Abul Ahsan that Sino-Bangladeshi relations have been further enhanced since Premier Li Peng's visit to Bangladesh last year.

Zheng Tuobin, when meeting with Korean Deputy Foreign Minister Kang Sok-chu, said: The leaders of the two countries held "in-depth talks" on many issues when General Secretary Jiang Zemin visited Korea last year. China and Korea support each other on many issues. He hoped that the two countries will further strengthen cooperation and mutual support on international issues in the future.

Asia Emergency Assistance To Open Beijing Office
OW2404213690 Beijing XINHUA in English
1444 GMT 24 Apr 90

[Text] Hong Kong, April 24 (XINHUA)—Asia Emergency Assistance (AEA), the largest medical assistance organization in the Asia-Pacific region, will open its 24-hour-service office in Beijing on Friday.

The Singapore-based AEA, in cooperation with the Red Cross Society of Beijing, will provide emergency assistance services to foreigners working or travelling in China.

This was announced by Hap Funk, marketing manager of the AEA, at a press conference here this afternoon.

Funk noted that with rapidly increasing foreign travel and foreign business development in China, medical support and emergency services are becoming a necessary part of travel and development plans.

He said he was confident that the combined services of AEA and the Red Cross Society of Beijing will provide the best emergency assistance services and medical care.

Founded in 1984, the organization has also established representative offices in Paris, Bangkok and Tokyo and 24-hour alarm centers in some major Asian cities as well as some European and American cities.

It provides specialized assistance services for multinational corporations, credit card holders, insurance companies, tourists and business travellers around the world.

Soviet Union

More Reportage on Li Peng's Four-Day Moscow Visit

Ryzhkov Speaks at Dinner

HK2604133890 Beijing RENMIN RIBAO in Chinese
25 Apr p 4

[Text] Beijing 25 Apr (RENMIN RIBAO)—A dinner was given today in the Great Kremlin Palace on behalf of the USSR Government and in honor of Li Peng, member of the CPC Central Committee Politburo Standing Committee and premier of the PRC State Council, and his wife.

The Chinese officials who are accompanying the guest on his trip were present with him.

On the Soviet side were Nikolay Ryzhkov and his wife, Eduard Shevardnadze, Yevgeniy Primakov, deputy chairmen of the USSR Council of Ministers, USSR people's deputies, and other officials.

Nikolay Ryzhkov, member of the CPSU Central Committee Politburo and chairman of the USSR Council of Ministers, made a speech. He said:

On behalf of the Soviet leadership, I offer cordial greetings to Comrade Li Peng and in his person to the great neighboring socialist country and the friendly Chinese people, for whom the Soviet people have feelings of deep respect.

People in the Soviet Union are watching with affection as the working people of China tackle today's complex problems of renewing their country and modernizing the economy through a fuller opening up of socialism's

potential. We are delighted by the success the Chinese people have managed to achieve thanks to persistent labor and by pursuing the line of the reforms outlined by the third plenum of the CPC Central Committee in 1978. We know from our own experience just how complicated the search for fundamentally new solutions which correspond to the interests of all the people is. We are, however, convinced that the Chinese people will be able to surmount the difficulties in their path and we wish them success.

Almost one year ago in Beijing M.S. Gorbachev and the leaders of the PRC mapped out the general outlines of Soviet-Chinese relations for the future and opened a fundamentally new phase in their development. Typical of that phase is a profound interpretation of the past, a new outlook on realities of the modern world, and a desire to develop bilateral relations in conditions of good-neighborliness, openness [otkrytost], and extensive international contact. Our relations are built on a reciprocal respect for interests, concern for specific character, complete equality of rights, and noninterference in one another's internal affairs, the acknowledgement of the right to sovereignty and independence, and a desire to advance, consistently and gradually, in developing bilateral relations with no deviation from the line embarked upon even when our viewpoints fail to coincide in some way. Such a development of relations of cooperation between two great peoples is not directed in any way against third countries.

The past year has been more richly packed with events in our relations than decades in the recent past. A new atmosphere of amicability and trust is being ever more strongly affirmed between our countries and peoples. The sphere of mutual ties is broadening, and there are more and more new and bright notes appearing in it.

Political dialogue is becoming more profound and a regular thing. Contacts between the CPSU and the CPC, to which we attach great significance, have taken off again and are being expanded.

The exchanges between Soviet republics, krais, and oblasts, and provinces and autonomous regions of the PRC, and between Soviet and Chinese towns, are becoming increasingly active.

The development of contacts along social and cultural lines is leading to a rapprochement between the two countries' peoples and to the appearance of a lively interest in each other's efforts to improve life and to embark on a broad path of progress.

Our talks today confirm that we are moving toward good results both in the sphere of politics and in that of economic ties.

Comrade Li Peng, your recent statement about the aims which the PRC leadership is linking to the official visit to Moscow by the head of the Chinese Government was received with great interest here. We agree with you that a time has come when relations between our countries

can progress more rapidly. The long-term program of economic and scientific-technical cooperation which we are to sign in the coming days will undoubtedly also contribute to this.

This document will determine our interaction for the period until the year 2000 and will be a basis for intensive, mutually beneficial relations in various branches of the economy. We believe it especially important that it will point us toward the development of cooperation in progressive high-technology areas, in particular, in the development of nuclear power engineering and joint work in the sphere of the aviation and space industry while, at the same time, not ignoring those spheres and industries which are traditional for our countries say, for example, timber processing and agriculture, in which cooperation will give both our countries the opportunity to make use of their natural advantages and resources.

The broad range of opportunities opening up before us also presupposes the use of new forms and methods of cooperation in keeping with the transformations taking place in the lives of our countries. We see an important additional and mutually advantageous source which can nourish the creative efforts of the Soviet and Chinese peoples in the further enhancement of Soviet-Chinese relations.

The potential for our good-neighborliness is immense. The reciprocal interest of our peoples in one another is reinforced by the objective similarity of the large-scale internal processes underway in the USSR and China.

There is also no small similarity in the fact that, as our Chinese comrades, when setting about renewing all spheres of our life, we proceeded from the need to accelerate the country's socioeconomic development and the implementation of the economic reforms, which required a considerable transformation of our whole political system as well. Thus was born revolutionary perestroika, and thus we came to the path of radically enhancing the role of local soviets as the people's bodies of power. We are on the threshold of the reconstruction of the Soviet federation. Finally, the radicalization of the economic reform is increasingly being pushed toward the top of the agenda.

In the course of the fundamental transformations which have gripped Soviet society, the CPSU has remained loyal to the choice made in October 1917. It derives spiritual strength from the far from fully discovered, mighty potential of the socialist idea. We regard as a permanent value Vladimir Ilich Lenin's understanding of socialism as the living creation of the masses, a society of social justice and protection, of people's welfare. In the process of revolutionary perestroika, Leninism remains for us a living, creative force.

Concentrating force to enhance the economy and improve the lives of the Soviet people constitutes one of the most important tasks at present. While putting forth this task, we wish to ease the tense social situation and

also ensure steady development in the Soviet Union based on scientific and technological progress. To this end we are providing scope for individual and collective interest in highly efficient and productive labor, and we are striving to bring into full effect new and flexible forms of managing and organizing production. The Chinese comrades began this kind of work earlier than we did, and their experience is instructive and important for us. The common interests of socialist renewal in our states predetermine our mutual need for an active exchange of experience and information.

Each of our countries is conducting an independent policy worked out on the basis of its own evaluations and judgments. The aspiration of each of them to contribute to the positive trend of the changes taking place in the world, to strive for a transition from tension to detente, from confrontation to dialogue, from rivalry to cooperation, and to lead matters toward a state of affairs in which ill-will and suspicion among countries and peoples would for ever become part of the past and in which wars and conflicts would cease, is all the more remarkable.

We can note with satisfaction the elements in the positions of our countries that coincide. The USSR and China stand together on the question of not being the first to use nuclear weapons. They are in favor of the complete destruction of nuclear weapons; the non-use of force in international affairs; the withdrawal of troops from foreign territories, and the elimination of bases outside national borders; and for the unblocking of regional situations of conflict by political means. Also among the assets of our two countries are unilateral measures for the reduction of their troops and armaments.

The accords between the Soviet Union and China regarding the reduction of armed forces and strengthening confidence in the military sphere in the vicinity of the Soviet-Chinese border are a specific example of mutual interests in the creation of an atmosphere of trust and in the gradual formation of a system of interrelations which would render pointless the use of force against each other. We and you are pioneers in this matter in the region of Asia and the Pacific Ocean.

In the present-day world the responsibility of all states for the preservation of international peace is growing; however, the major world powers, to which the USSR and China also belong, objectively speaking bear a special burden of this responsibility.

Permit me to express the confidence that the visit to the Soviet Union by the premier of the PRC State Council republic will make a great contribution to the cause of strengthening good-neighborliness and cooperation between the Soviet Union and China, in the interests of the peoples of both countries, and of peace and of progress in Asia and throughout the world.

In conclusion Nikolay Ryzhkov proposed a toast to the health of Comrade Li Peng and his wife, Comrade Zhu Lin, and to the prosperity and successes of the Soviet and Chinese peoples.

University Foreign Department Viewed

OW2504084290 Beijing XINHUA in English
1406 GMT 21 Apr 90

[“Feature: ‘We Are Contributing to Soviet-Chinese Friendship’ (by Tang Xiuzhe)”—XINHUA headline]

[Text] Moscow, April 21 (XINHUA)—A grey-haired Soviet woman took out an antique Chinese postcard she received on the eve of the October Revolution anniversary in 1953 and read out its signatures in one breath.

“This is from my first group of nine Chinese students who once studied here,” said Elivira Amiantova, 55, head of the foreign students department of the Moscow University.

“It always reminds me of my old days with them,” Amiantova told XINHUA at her downtown Moscow residence in a recent interview.

She said immediately after her graduation from the linguistic department of the university in 1953, she was selected to help train the Chinese students.

“I made great efforts to teach them,” she recalled, “sometimes, however, I could hardly handle their questions because I had little teaching experience and some of them were very keen on knowledge.”

Thus, she had to prepare lessons well and tried to improve teaching methods while organizing the Chinese students to the exhibitions and theatres in a bid to upgrade their Russian.

She believed her teaching of Chinese students a very rewarding experience. “I taught them Russian and they pass me knowledge of the Chinese cultural and historical tradition as well as its customs,” the Russian teacher said.

During the daily contacts friendship grew between her and her Chinese students, she said and stressed “friendship is to give and contribute.”

Over the past decades, Amiantova has kept well all the letters, postcards, photos and souvenirs from her Chinese friends of different periods. “Whenever I look at them, I feel I am a lucky person,” she said.

Amiantova has been enriching her collection of newspaper clippings and books on China.

“The Soviet radio reported that I can both speak and read Chinese. It is not true,” she smiled. But she said she was really earnest in learning Chinese through a Chinese children’s magazine, the “Little Friend.”

When asked what strikes her the most in her friendship with the Chinese, Amiantova replied with smile, "A postcard from my Chinese students in 1981 after I lost contact with them for 16 years."

"During the difficult time in the Soviet-Chinese relations, I kept missing my friends faraway though I did not hear from them," she said, "so when the precious new-year card came unexpected, I was moved to tears."

"One day," she added, "I happened to see a Chinese woman in a teaching building on the Lenin Hill. We looked at each other for minutes, and suddenly she embraced me crying out. It was Jiang, a 1960 journalism graduate. It's marvelous we met again after 30 years of separation."

In 1985, the university resumed accepting Chinese students. Being the department head, Amiantova teaches her Chinese students with the same enthusiasm and devotion of 30 years ago.

"I am happy with the progress they have made in their studies and feel we are contributing to the Soviet-Chinese friendship," she said.

Holds News Conference in Moscow

OW2604181990 Beijing XINHUA Domestic Service in Chinese 0955 GMT 26 Apr 90

[By reporter Shen Faliang (3088 3127 5328)]

[Text] Moscow, 25 Apr (XINHUA)—Visiting Chinese Premier Li Peng gave a news conference at the Soviet Foreign Ministry's press center this afternoon, which was attended by some 300 foreign journalists stationed in Moscow, as well as Soviet and Chinese reporters.

In his introductory remarks Li Peng said that he has been paying a formal visit to the Soviet Union at the Soviet Government's invitation, and that he is pleased with the visit, which has been a success.

In reply to a TASS reporter's question, Li Peng said: The current talks between the Chinese and Soviet leaders have opened up new prospects for bilateral economic and technical cooperation in the future. China and the Soviet Union, two neighbors, can complement each other economically. In other words, each country has certain strong points which the other does not have. For example, take an agreement signed between the two countries during the current visit. Under the agreement the Soviet Union will cooperate with China in building two one-million kw nuclear power plants in the form of a long-term Soviet loan to China, while China mainly will provide the Soviet Union with textiles and light industrial goods in the form of a 500 million Swiss franc short-term commodity loan. As for the forms of cooperation, in addition to trade, the two sides can set up independently owned enterprises or joint ventures for processing the other side's raw materials, or exchanging technical know-how. There is a broad area for bilateral cooperation.

A XINHUA reporter asked Premier Li Peng to discuss the major achievements of his current visit to the Soviet Union. Li Peng disclosed that at the end of the visit, the Chinese and Soviet sides will issue separate press releases to summarize the visit's outcome. Li Peng said: "As Comrade Gorbachev said during his historical visit to China last May, the purpose of his visit was to end the past and open up the future. My current visit to the Soviet Union is to continue the course of opening up the future and make this course a success."

An American Broadcasting Corporation reporter asked Premier Li Peng about the views of the recently held CPC Central Committee plenary session concerning the policies pursued by Gorbachev and the Eastern European countries.

Premier Li Peng said: The main purpose of the plenary session was to adopt the decision on strengthening the ties between the party and the masses. This is an important measure for deepening the political structural reform in our policy of reform and opening to the outside world. At the present, a small number of people in the West hope to see differences between China and the Soviet Union with regard to reform. The bigger the differences, the happier these people in the West will be. Li Peng stressed: On the question of reform, China and other socialist countries do not necessarily share identical views and methods. Each country has its conditions and development stage, which are different from others. Therefore, it is up to each country to decide on how socialism should be built on the basis of its national conditions. There is no fixed model for everybody to follow. I have discussed this question with Comrades Gorbachev, Ryzhkov, and Lukyanov. They told me that the Soviet Union has adhered to socialism in carrying out reform.

Turning to the situation in Eastern Europe, the Chinese premier pointed out: Nobody would have anticipated the drastic changes in some of the Eastern European countries. However, as to whether such changes mean the complete abandonment of the socialist system, we should wait and see and continue the observation carefully. In any case, whether these countries will abandon or uphold socialism, China is willing to maintain normal state relations with them on the basis of the five principles of peaceful coexistence.

Then, Premier Li Peng asked Foreign Minister Qian Qichen to respond to an Egyptian reporter's question about Soviet Jews' emigration to Israel. The Chinese foreign minister said that he especially had discussed this question with Soviet Foreign Minister Shevardnadze because many Arab countries have expressed to China their concern over the question. The Chinese foreign minister has conveyed such concern to his Soviet counterpart.

A reporter of the British paper, THE TIMES, asked: Gorbachev maintains that the Soviet perestroika is analogous to the October Revolution in terms of nature

and scale. Do you agree with this? Moreover, you said just now that China and the Soviet Union will issue press releases separately after your visit. Is this true?

The Chinese premier replied: "I remember that, during the talks with Gorbachev, he said the Soviet perestroika is comparable to the October Revolution in terms of profundity and significance. I think he means that the Soviet perestroika is comparable to the October Revolution in terms of its role in the Soviet Union's development. I don't think he means that the Soviet Union will follow a course contrary to the October Revolution. At the recent Moscow meeting in commemoration of Lenin's 120th birthday anniversary, Gorbachev expressed the need to uphold the Leninist course. I appreciate this position.

"As to the second question, both sides are prepared to issue separate press releases, and not a joint press communique. My visit is very short. Issuing a joint communique is a very time consuming affair. Issuing separate press releases would be more convenient. This is totally a technical issue. I think that after you see China's press release and the Soviet Union's press release, you will find that they are essentially the same, and you will not find any differences in principle."

A reporter of the Soviet paper IZVESTIYA asked Premier Li Peng to talk about how China deepens its reform. Li Peng gave him a detailed answer. He said: China has achieved enormous successes since it adopted the reform and open policy 10 years ago. We will never waver in upholding this policy. However, certain defects appeared during the course of reform, as they have in all other new developments. Excessive speed of growth was one defect. Because China is a developing country, Chinese leaders and the Chinese people hoped that its economic development could be faster, the improvement of people's livelihood could be faster, the pace of reform could be quicker, and noticeable results could be achieved earlier. Consequently, they made the mistake of being too impatient for success. Serious inflation thus appeared in China. Thanks to the efforts over a period of a year and a half to improve the economic environment and rectify the economic order, the inflation rate has dropped and the economy is developing even more soundly. During the course of economic retrenchment, China's reform and open policy has remained unchanged. On the contrary, it has deepened reform, and the nation has opened even wider to the outside world. For example, the recent Third Session of the Seventh National People's Congress in China has revised, renewed, and improved the law governing Sino-foreign joint ventures. The law has further liberalized the policy of bringing in foreign capital, thus giving even greater incentive to foreign investors.

A reporter of a Norwegian television station asked whether China would encounter any problem that will affect its political stability. Li Peng said: "There will not be any problem. The situation at present is totally different from the situation at this time last year. For example, at this time last year I was in Beijing handling

many thorny problems, but now I am visiting Moscow. This also shows that China's political situation is stable. Some people predict that unrest might again take place in April, May, or June. I can say with certainty here that such a situation will not appear in China. The Soviet press reported yesterday that I mentioned the Great Cultural Revolution in China during the talks. It is true that I mentioned the Great Cultural Revolution. Chinese people suffered a great deal during the Great Cultural Revolution. Chinese people today share one similar view. The overwhelming majority of them want stability, not upheaval, in China.

A Japanese reporter asked whether the general secretary of the CPC Central Committee would visit the Soviet Union. Premier Li Peng said: Our General Secretary Jiang Zemin will visit the Soviet Union at an appropriate time. But since I have just visited the Soviet Union, I think our general secretary may not visit the Soviet Union immediately.

A reporter of China's JINGJI RIBAO asked Premier Li Peng to talk about his feelings on revisiting the Soviet Union after so many years. Li Peng happily recalled his study in the Soviet Union in the 1950's. He said that he was most impressed by the profound friendship between the Chinese and Soviet peoples, even when the two countries were not very amicable. He said: My current visit is short and I cannot tell you more about my impressions. But I could see the great changes in Moscow's appearance. The roads are wider and there are more tall buildings. I also visited the satellite city. Soviet space technology is very advanced.

Answering a question raised by a reporter of a Mexican television station, Premier Li Peng said that he and Gorbachev had discussions on reducing Soviet troops stationed along the Sino-Soviet border areas, and that they have reached a principled agreement on deescalating the two countries' military confrontation.

Li Peng stressed that China and the Soviet Union have normalized their relations and both countries want good neighborly relations. Since China and the Soviet Union share a border that is more than 7,000 km long, reducing the number of troops in the border areas to a level acceptable to both sides is good for both countries. He said that he and Gorbachev did not discuss the issue of reducing nuclear weapons because China only has a very small quantity of nuclear weapons and they are all defensive in nature.

A reporter of Italy's ANSA asked Premier Li Peng to comment on the Soviet Union's perestroika and multiparty system. Premier Li pointed out that Soviet leaders told him that their perestroika will proceed along the socialist course. Each country should determine the specific steps it will take in light of its actual situation. The Soviet party and people should decide whether or not they want a multiparty system. As for China, the

system it has adopted is a system of multiparty cooperation led by the CPC and a system of political consultation. Besides the CPC, there are democratic parties in China. Their relations with the CPC are relations of cooperation and they are not opposition parties. The CPC and the CPSU have normalized their relations since Gorbachev visited China last year. The CPC is maintaining normal relations with many political parties in the world, including communist, social democratic, and nationalist parties.

Finally, Premier Li Peng asked Foreign Affairs Minister Qian Qichen to answer an Italian reporter's question concerning relations between China and the Vatican and concerning Cambodia. Foreign Minister Qian said that China and the Vatican do not have diplomatic relations. He said that, during the current visit, Chinese and Soviet foreign ministers have discussed the Cambodian issue in detail. Both sides maintained that it is time for settlement of the Cambodian issue. Both China and the Soviet Union are permanent members of the UN Security Council and both countries should take an active part in the discussion of the Cambodian issue when it is discussed by the five permanent UN Security Council members. Both sides maintained that there should be national reconciliation and quadripartite coalition in Cambodia. Of course, Vietnam should withdraw all its troops from Cambodia and the withdrawal should be checked and verified. Both sides maintained that the United Nations should play its part in settling the Cambodian issue. Both sides are ready to maintain constant contacts and consultations on this issue.

Premier Li Peng's news conference lasted over an hour.

Ends Official Visit

OW2604184690 Beijing XINHUA in English
1806 GMT 26 Apr 90

[Text] Leningrad, April 26 (XINHUA)—Chinese Premier Li Peng and his entourage left here for home tonight after successfully concluding a four-day official visit to the Soviet Union.

Premier Li was seen off at the airport by Vladimir Khodyrev, chairman of the executive committee of the city soviet of Leningrad, General Viktor Ermakov, commander of Leningrad Military District, and other officials of the city.

Also seeing them off at the airport were Soviet Vice Premier Nikolay Laverov and his wife as well as Soviet Ambassador to China Oleg Troyanovskiy and his wife, who were accompanying Li Peng in Leningrad.

Chinese Ambassador to the Soviet Union Yu Hongliang and Consul General to Leningrad Zhang Weichao were also at the airport to see off Premier Li Peng.

This afternoon, Premier Li met and had cordial and friendly talks with Khodyrev, who extended his warm welcome to the distinguished Chinese guests to the city.

Chinese Foreign Minister Qian Qichen, Chinese Ambassador Yu Hongliang and Consul General Zhang Weichao were present at the meeting.

After the meeting, Premier Li and his party were entertained to a dinner by the executive committee of the city soviet of Leningrad.

Khodyrev, chairman of the committee, and Premier Li spoke at the dinner.

This afternoon, Premier Li and his party went to the Piskarevka Cemetery where rest 470,000 soldiers and citizens who died during the fascist encirclement of Leningrad. Li Peng, cherishing a feeling of great respect, laid a wreath at the giant sculpture "Motherland," and wrote in the autograph album "Eternal Glory to the Leningrad People Who Devoted Their Lives to the Anti-Fascist War."

They also toured the state Hermitage Museum, a collector of world master pieces of paintings, and the scene of the October Revolution.

Premier Li's current four-day visit to the Soviet Union is an important visit since the normalization of Sino-Soviet relations last May. It will have far-reaching significance for the future development of the good-neighborly relations between the two countries.

Wrap-Up of Visit

OW2604193690 Beijing XINHUA in English
1824 GMT 26 Apr 90

["Chinese Premier Li Peng Ends Visit to Soviet Union"—XINHUA headline]

[Text] Moscow, April 26 (XINHUA)—Li Peng, premier of the State Council of the People's Republic of China, and his wife, Zhu Lin, paid an official visit to the Soviet Union from April 23 to April 26 at the invitation of the Government of the Union of Soviet Socialist Republics. They were accompanied by Foreign Minister Qian Qichen and other Chinese officials.

During his visit, Premier Li Peng met and had a conversation with Soviet President Mikhail Gorbachev. He also met Anatoliy Lukyanov, president of the Supreme Soviet of the USSR.

Premier Li Peng held talks with Nikolay Ryzhkov, chairman of the Council of Ministers of the Soviet Union.

Present at the talks on the Chinese side were Qian Qichen, minister of foreign affairs; Tomur Dawamat, chairman of the People's Government of the Xinjiang Uygur Autonomous Region; Gan Ziyu, vice-minister of the State Planning Commission; Yuan Mu, director of the Research Office of the State Council; Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army (PLA); Special Assistant Yang Dezhong; Liu Shuqing, director of the office in charge of foreign affairs under the State Council; Tian Zengpei, vice-minister of

foreign affairs; Li Lanqing, vice-minister of foreign economic relations and trade; Special Assistant Hu Shaopu; Li Zhaoxing, assistant minister and director of the Information Department of the Foreign Ministry; and Yu Hongliang, Chinese ambassador to the Soviet Union.

Soviet officials attending the talks were Eduard Shevardnadze, minister of foreign affairs; Stefan Sitaryan, vice chairman of the Council of Ministers and chairman of the State Committee for Foreign Economic Relations; Konstantin Katushev, minister of foreign economic relations; Oleg Shishkin, minister of general machine-building; Malakhov, deputy chairman of the Planning Committee and the Sino-Soviet mixed committee of economic, trade and scientific-technological cooperation; Igor Rogachev, vice foreign minister; Colonel General Kreymenov, deputy chief of the General Staff of the Soviet Armed Forces; Oleg Troyanovskiy, Soviet ambassador to China; E.P. Bavrin, trade representative to China; Yuriy Firsov, assistant to the chairman of the Council of Ministers; and G.V. Kireyev, director of the Department of Socialist Countries in Asia under the Foreign Ministry.

Foreign ministers of the two countries held talks during Premier Li's visit.

The Chinese and Soviet leaders had an in-depth exchange of views on issues concerning the furtherance of bilateral relations between the two countries, and expressed satisfaction at the sound development of the exchange and cooperation in the political, economic, trade and scientific-technological fields since the normalization of relations between the two nations last May.

The two sides agreed that further development of friendly and goodneighborly ties between the two countries in the spirit of the Sino-Soviet joint communique signed on May 18, 1989 and on the basis of the general principles that should govern state-to-state relations—mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence—serve the fundamental interests of the two peoples and also conduce to peace and development of Asia and the world at large.

The two sides signed "The Long-Term Cooperation and Development Program of Economy, Science and Technology Between the People's Republic of China and the Union of Soviet Socialist Republics," "The Cooperation Agreement on Peaceful Use and Studies of Space Between the Government of the People's Republic of China and the Government of the Union of Soviet Socialist Republics," "The Agreement Between the Government of the People's Republic of China and the Government of the Union of Soviet Socialist Republics on Mutual Reduction of Military Forces in the Sino-Soviet Border Areas and Guiding Principles of Enhancing Trust in the Military Fields," "The Protocol on Consultations Between the Foreign Ministry of the

People's Republic of China and the Foreign Ministry of the Union of Soviet Socialist Republics," "The Agreement Between the Governments of the People's Republic of China and the Union of Soviet Socialist Republics on Governmental Credit for Daily-Use Commodities Provided by China to the Soviet Union," and "The Memorandum Between the People's Republic of China and the Union of Soviet Socialist Republics on the Construction of a Nuclear Power Plant in China and a Soviet Government Loan to China."

The two sides believed that the signing of these documents has extended the legal basis for Sino-Soviet relations in the form of treaties, which will help develop cooperation between the two countries, and that prospects are good for China and the Soviet Union to cooperate in the specified areas.

The two sides reiterated that they will continue negotiations in line with the principles set forth in the "Sino-Soviet Joint Communique" for a just and reasonable solution to the border issue left over by history.

The two sides were satisfied with the progress they have made in the negotiations for a mutual cut of military forces along their border and an improvement in trust between the two countries with regard to military matters. It was also agreed that friendly exchanges should be conducted between heads of military departments of the two countries to increase their mutual understanding.

Leaders of the two countries briefed each other on the domestic situation in their respective country and noted that China and the Soviet Union, both now engaged in reforms, should explore ways of building socialism in accordance with their own actual conditions. The two sides stressed that in mutual relationship, the principle of non-interference in each other's internal affairs should be strictly abided by and the choices made by the people of various countries be respected.

China reiterated that Taiwan is an inalienable part of the territory of the People's Republic of China and that China strongly opposes any attempt to create "two Chinas," "one China and one Taiwan" or "an independent Taiwan." The Soviet Union stated that it will consistently support this position of the Chinese Government.

The leaders of the two countries exchanged views on major world issues of common concern and the present international situation as a whole.

The Chinese side pointed out, now that the world situation is undergoing major changes, how to advance it in the interest of peace and development is an important subject for the people of the world to consider.

China welcomed the progress made by the Soviet Union and the United States in their disarmament talks. It stressed the need for peaceful settlement of regional disputes through political means, and expressed the hope

that peoples of the world will strengthen their cooperation in working for the establishment of a new world order of politics and economy on the basis of the five principles of peaceful co-existence.

The two sides expressed their willingness to promote a just and reasonable comprehensive solution to the issue of Cambodia, and their appreciation and support of the United Nations positive role on the issue. Both sides also expressed support for dialogue to be conducted between the two parts of Korea to help ease the situation on the Korean peninsula and bring about stability there and to create conditions for a peaceful reunification of Korea.

During his visit, Premier Li Peng also met with Soviet friends who have been working for friendship between the two countries or once worked in China as experts in the past, and expressed gratitude to them.

The talks between leaders of the two countries were held in a friendly, candid and down-to-earth manner. The two sides agreed that it was important and conducive for leaders of the two countries to exchange views on questions of bilateral relations and major international issues of common concern, and they expressed satisfaction at the result of the visit.

The Chinese premier expressed thanks to the Soviet leaders and people for the warm hospitality accorded him and his entourage. Meanwhile, he invited Nikolay Ryzhkov, chairman of the Council of Ministers of the USSR, to visit the People's Republic of China. Chairman Ryzhkov accepted the invitation with pleasure.

Sends Message to Ryzhkov

*OW2704010490 Beijing XINHUA in English
2336 GMT 26 Apr 90*

[Text] Moscow, April 27 (XINHUA)—Chinese Premier Li Peng today sent a message to Soviet Premier Nikolay Ryzhkov at the end of his four-day official visit to the Soviet Union, expressing his thanks to Ryzhkov and the Soviet Government.

Premier Li said in the message that "at the end of our successful official visit to your country and at the time of flying away from your country, I would like to extend once again my thanks to you and the Soviet Government."

"During our stay in the Soviet Union, we were accorded warm hospitality and felt the good feelings of the Soviet people towards the Chinese people. All these have left us a deep impression," the Chinese premier said.

"During our visit, I held in-depth talks with you and President Mikhail Gorbachev as well as other Soviet leaders. The two sides also signed several documents on the development of bilateral cooperation. I am satisfied with the result of the visit," Li Peng added.

While flying over the Mongolian People's Republic on his way to and back from the Soviet Union, Premier Li Peng also sent messages to Sharabyn Gumgaadorj, chairman of the Mongolian Council of Ministers, expressing his heartfelt regards and good wishes to him, and wishing a continued advancement of the friendly cooperation between China and Mongolia.

Jiang Zemin Greets Li on Return

*OW2704014090 Beijing XINHUA in English
0125 GMT 27 Apr 90*

[Text] Beijing, April 27 (XINHUA)—Chinese Premier Li Peng and his wife Zhu Lin returned here by special plane this morning from a four-day official visit to the Soviet Union.

Chinese Communist Party General Secretary Jiang Zemin was present at the airport to greet Li Peng, congratulating the premier on the success of his visit.

Also greeting Li at the airport were Vice-Premiers Yao Yilin and Wu Xueqian, and vice-chairman of the National People's Congress Standing Committee Xi Zhongxun.

Returning with Li Peng were Foreign Minister Qian Qichen; Tomur Dawamat, chairman of the people's government of the Xinjiang Uygur Autonomous Region; Gan Ziyu, vice-minister of the State Planning Commission; Yuan Mu, director of the Research Office of the State Council; General Xu Xin, deputy chief of general staff of the Chinese People's Liberation Army, and other senior officials.

Luo Gan, secretary-general of the State Council; Chi Haotian, chief of general staff of the Chinese People's Liberation Army; and Charge d'Affaires ad interim of the Soviet Embassy in Beijing V.Y. Vorobyev, were also present at the airport to greet Li Peng and his party.

Benefits of Ties Viewed

*HK2704023190 Hong Kong HONGKONG STANDARD
in English 27 Apr 90 p 12*

[By Fan Cheuk-wan]

[Text] Rapidly growing economic co-operation and trade between China and the Soviet Union has brought the two communist giants together despite their political differences.

Chinese Premier Mr Li Peng said on his arrival in Moscow, that his visit was to "develop friendly relations with the Soviet Union" despite different domestic conditions and a divergence of views on certain issues.

Both countries encountered major difficulties and recession in the course of their economic reforms and it appears natural for the countries' leaders to try to seek closer economic co-operation that would benefit them both.

A favourable condition for co-operation is the complementary nature of their economies.

In particular China lacks important raw materials which can be provided by the Soviet Union, while China's better developed processing industries can provide the Soviet people with consumer goods and daily necessities.

Official figures indicate that about 50 per cent of commodities traded between the two are raw materials and primary products, followed by textiles and machinery.

The total volume of Sino-Soviet trade was more than U.S.\$3 billion (HK\$23.5 billion [Hong Kong dollars]) last year, a leap of 20 per cent from 1988.

The normalisation of the Sino-Soviet relationship last May, after Soviet President Mikhail Gorbachev's visit to Beijing, has been the driving force behind this improvement.

The six agreements signed during Mr Li's visit included a memorandum on Soviet loans for the construction of nuclear power stations in China; Beijing's provision of daily consumer necessities to the Soviet Union; and Sino-soviet co-operation until the year 2000 on nuclear energy, space exploration, wood processing, agriculture and metallurgy.

These agreements are the most substantial achievement of Mr Li's visit apart from the agreement on the reduction of military forces along the Sino-Soviet border.

China and the Soviet Union signed two agreements on loan arrangements in 1988, before the normalisation of their relationship.

One Soviet loan, in the form of commodities, was provided for the construction of a railway in Xinjiang. Another Soviet commercial loan was provided to China for the import of nuclear equipment.

Reports said Beijing considered resorting to the Eastern bloc for economic cooperation and trade after the economic sanctions imposed by the West in the wake of the military crackdown last June.

But a source in Beijing said: "It's impractical for Beijing to rely on the Eastern bloc or the Soviet Union to offset the pressure of the international economic sanctions due to their rapid political changes.

"Beijing realised that these socialist countries would also encounter great economic difficulties.

"The keen concern of the Chinese government is to attract more foreign capital, which is not expected to be provided by the Eastern bloc or the Soviet Union," the source said.

The prospect of Sino-Soviet trade, however, is still promising.

Li Lanqing, vice-minister of Foreign Economic Relations and Trade, said recently that China planned to change the current barter trade system with the Soviet Union to cash trade.

China and the Soviet Union have used barter trade for years in their border trade, with its value tabulated nominally in Swiss francs. Neither the Chinese yuan nor the Soviet rouble is freely convertible.

Mr Li said official talks on the arrangements for the change were underway.

The railway linking Soviet Kazakhstan and China's Xinjiang region would be completed this September, after which bilateral ties are expected to be much strengthened.

According to statistics of the Ministry of Foreign Economic Relations and Trade (MOFERT), the Soviet Union has become China's fifth largest trading partner after Hong Kong and Macao, Japan, the United States and West Germany.

The volume of border trade has also increased significantly over the past 10 years of economic reforms and open door policy.

Border trade of Heilongjiang province and Inner Mongolia with the Soviet Union was only 22 million Swiss franc in 1983. This figure (including Jilin and Xinjiang) has leapt to more than 800 million Swiss franc.

Apart from provinces along the Sino-Soviet border, major Chinese cities like Liaoning, Shandong, Shenyang, Dalian, Shanghai, Fujian and Guangzhou have already established trading links with the Soviet Union. The two countries have pledged to hold trade exhibitions in each others capitals later this year.

The two countries have already set up joint ventures and co-operative projects. Up until the end of 1989, the two countries have signed a total of 95 contracts of co-operative projects and 14 joint ventures projects involving a total investment of U.S.\$240 million (HK\$1.82 billion).

Between 1981 and 1989, China imported 7.8 million tonnes of steel and iron ore, 17 million cubic metres of wood and paper-making material, 3.7 million tonnes of carbamide and expensive metal worth 1.19 billion Swiss Franc from the Soviet Union. China also imported 119,000 vehicles and 57 aircraft from Moscow.

In exchange, the Soviet Union bought machinery, equipment, component parts for cars, lorries and rolling stock from China.

During the same period, China exported to the Soviet Union 600,000 tonnes of meat, 630,000 tonnes of fruit, 8,000 tonnes of silk.

Northeast Asia

Possible Links With South Korea Denied

HK2704023990 Hong Kong SOUTH CHINA
MORNING POST in English 27 Apr 90 p 11

[By David Chen]

[Text] China yesterday denied a South Korean statement that the two countries were negotiating on the possibility of opening consular relations.

"This simply doesn't exist," a spokeswoman for the Foreign Ministry, Ms Li Jinhua, said at a weekly briefing.

"China's position of having no official relations with South Korea is unequivocal and it remains unchanged," she added.

Her statement, which has become a standard answer on the matter, was in sharp contrast to a declaration by the South Korean Prime Minister, Mr Kang Yong-hun, in a talk to senior business leaders in Seoul on Wednesday.

Mr Kang went further and said the talks now under way were "a step towards establishing full diplomatic relations".

Beijing's public position on this is just the opposite. Repeatedly, Beijing officials have said establishing official contacts with South Korea is out of the question.

Two factors stand in the way of diplomatic ties between Beijing and Seoul. The first is that South Korea continues to maintain diplomatic ties with the nationalist regime in Taipei. With Taiwan now adopting the so-called "flexible diplomacy", Taipei may not really object to Seoul establishing ties with Beijing and Taiwan, though understandably it would not be too happy to see such a development.

For Beijing, this is not acceptable. Seoul must sever relations with Taiwan before establishing ties with the People's Republic. But then, Seoul is quite prepared to take such a step.

Seoul and Taipei are two of the "four small dragons of Asia" and are therefore rivals, particularly in the economic area.

But even if Seoul is prepared to break diplomatic relations with Taipei and establish some kind of an office based on the model of the American Institute in Taiwan, Beijing will still balk at the suggestion because of its close ties with North Korea. Beijing has all along supported Pyongyang's stand for reunification under North Korea's terms.

But Beijing may be compelled to reconsider its policies. With the Western nations imposing economic sanctions on China, South Korea continues to express its willingness to trade with the mainland and is capitalising on the

coming Asian Games to convince the Chinese that official ties are in the best interests of both countries.

In recent years, South Korea has become an increasingly important trading partner of China, with bilateral trade reaching U.S.\$3.2 billion (HK\$24.96 billion [Hong Kong dollars]) last year, many times more than China's trade with the North.

This figure could be boosted several fold if official ties were established. Until the political problems that erupted last year, the Chinese Government has been willing to expand trade and other contracts with South Korea and has even designated Shandong Province as the region that will promote trade with Seoul.

In the commercial circles in China today, there are still many members who advocate this policy. They do not see any problem with the existing relations between Seoul and Taipei, nor China's professed strong ties with Pyongyang.

Indeed, they argue that contacts with South Korea will give China the added leeway in its diplomatic manoeuvring in northeast Asia.

Such argument is beginning to be aired in the corridors of power in Beijing, analysts said. Hence, while officially China is expected to maintain its "unequivocal stand" on South Korea, as Ms Li Jinhua did yesterday, quiet talks might indeed have been taking place that will ultimately lead to official links.

DPRK's Kim Il-song Meets Outgoing Ambassador

OW2604081490 Beijing XINHUA Domestic Service
in Chinese 0837 GMT 21 Apr 90

[Text] Pyongyang, 21 Apr (XINHUA)—Kim Il-song, General Secretary of the Central Committee of the Workers Party of Korea [WPK] and President of Korea, met with outgoing Chinese Ambassador Wen Yezhan and Mrs. Wen and had a very cordial and friendly conversation with them in the Kumsusan Auditorium today.

Earlier, Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president of Korea, also met with Ambassador Wen Yezhan; and so did Choe Kwang, chief of General Staff of the Korean People's Army.

Li Yaowen Heads PLA Friendship Delegation

Meets Kim Il-song

SK2504045990 Beijing International Service in Korean
1100 GMT 24 Apr 90

[Text] At noon on 23 April, at Pyongyang's Kumsusan Assembly Hall, Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea

[WPK] and president of the Korea, received the friendship visiting delegation of the Chinese People's Liberation Army [PLA] led by Admiral Li Yaowen, political commissar of the Chinese PLA Navy.

Both sides exchanged talks in a cordial and friendly atmosphere. President Kim Il-song said that this year marks the 40th anniversary of the Chinese People's Volunteers' participation in the Korean war and that he ardently welcomes the visit by the delegation on this significant year. He also said that the people of the two countries of China and Korea are of one family, comrades-in-arms, and brothers.

President Kim Il-song said that China quelled antirevolutionary riots last year and achieved stability and unity, and are now further carrying out economic construction well. He also said that he himself and the Korean people are very happy about this.

President Kim Il-song also said that last year when he visited China and when Comrade Jiang Zemin visited Korea not long ago, both sides exchanged opinions on issues of common interests.

After receiving the delegation, President Kim Il-song arranged a luncheon for the guests at the Kumsusan Assembly Hall. Vice marshal O Chin-u, member of the Standing Committee of the Political Bureau of the WPK Central Committee and minister of the People's Armed Forces; Comrade Wen Yezhan, Chinese ambassador to Korea; and Comrade Wang Dahui, military attache, were on hand.

Delegation Feted

OW2104213590 Beijing XINHUA Domestic Service
in Chinese 1035 GMT 19 Apr 90

[By reporter Li Nengqing (7812 5174 3237)]

[Text] Pyongyang, 18 Apr (XINHUA)—This evening, Choe Kwang, candidate member of the Political Bureau of the Korean Workers Party Central Committee and chief of general staff of the Korean People's Armed forces, met and feted General Li Yaowen, political commissar of the Chinese People's Liberation Army [PLA] Navy, and members of the PLA goodwill delegation headed by him.

Expressing warm welcome to the goodwill delegation of the Chinese PLA, Choe Kwang said: Chinese people's volunteers shed their blood and died in Korea during the war of resisting U.S. aggression and aiding Korea. The fraternal Korean-Chinese ties cemented by blood were cultivated by revolutionaries of the older generation of the two countries. This friendship has been playing a tremendous role during the period of peaceful construction as well as during war years. The recent visit to Korea by Comrade Jiang Zemin, secretary of the CPC Central Committee, has consolidated and developed this friendship.

In his speech, Li Yaowen said: The Chinese and Korean peoples and comrades in arms are brothers sharing a common destiny, weal and woe. When they were in Korea, Chinese volunteers received great care from the Korean comrades. As a member of the Chinese volunteers, I highly cherish the memories of the Sino-Korean friendship cemented by blood. During our visit to Korea, we are able to see the tremendous changes that have taken place in Korea under the leadership of the Korean Workers Party and President Kim Il-song, and we are very happy about that.

Present at the meeting and the banquet were General O Kyong-hun, deputy director of the General Political Bureau of the Korean People's Armed Forces; Kim Ki-hak, political commissar of the Korean Navy; Wen Yezhan, Chinese Ambassador to Korea; and Wang Dawei, military attache of the Chinese Embassy in Korea.

The Chinese PLA goodwill delegation arrived in Pyongyang by plane on 17 April for a 10-day visit.

Embassy Celebrates Korean People's Army Day

OW2404213990 Beijing XINHUA in English
1213 GMT 24 Apr 90

[Text] Beijing, April 24 (XINHUA)—Kim Il-kon, military attache of the embassy of the Democratic People's Republic of Korea in Beijing, gave a reception here this afternoon to mark the 58th anniversary of the founding of the Korean People's Army.

General Chi Haotian, chief of the general staff of the Chinese People's Liberation Army (PLA), and other high-ranking PLA officers attended the reception.

Wu Xueqian Meets Japanese Prefecture Governor

OW2504081790 Beijing XINHUA in English
0731 GMT 25 Apr 90

[Text] Beijing, April 25 (XINHUA)—Chinese Vice-Premier Wu Xueqian met a government delegation from the Nagasaki Prefecture of Japan, led by Governor Isamu Takada here this afternoon.

The governor arrived here yesterday as guest of east China's Fujian Province and is scheduled to tour Fuzhou and Shanghai.

Japanese Prime Minister Meets Gao Di

HK2404124990 Beijing RENMIN RIBAO in Chinese
14 Apr 90 p 4

[Article: "Prime Minister Toshiki Kaifu Meets Director Gao Di"]

[Text] Tokyo, 13 Apr (RENMIN RIBAO)—Japanese Prime Minister Toshiki Kaifu met RENMIN RIBAO director Gao Di and his group in Tokyo today. The two parties were engaged in a friendly conversation.

Gao Di conveyed Premier Li Peng's regards to Prime Minister Kaifu. Mr. Kaifu expressed his thanks and requested Gao Di to give his regards to Premier Li Peng. Gao Di presented Kaifu with a landscape painting entitled "The Qingyi Island" by Mr. Li Qiongjiu, a renowned old painter. Prime Minister Kaifu expressed profound interest in Mr. Li's works.

Also present was Tang Jiaxuan, China's envoy in Japan.

Latin America & Caribbean

Jiang Meets Cuban Communist Party Officials

*OW2704015690 Beijing XINHUA in English
1140 GMT 26 Apr 90*

[Text] Beijing, April 26 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), met Jorge Risquet, member of the Political Bureau and the Secretariat of the Central Committee of the Communist Party of Cuba, and his party here today.

The host and the guests briefed each other on the domestic situation of their countries and exchanged views on issues of common concern.

Risquet conveyed to Jiang the warmest greetings from F. Castro, first secretary of the Cuban Communist Party

Central Committee. Jiang expressed thanks for this and asked Risquet to convey to Castro cordial regards from Chinese President Yang Shangkun, Premier Li Peng and himself.

Zhu Liang, head of the International Liaison Department of the CPC Central Committee, was present at the meeting.

In the evening, Wen Jiabao, alternate member of the Secretariat of the CPC Central Committee, hosted a farewell dinner for the Cuban visitors.

Cuban Minister of Commerce Feted in Beijing

*OW2704020390 Beijing XINHUA in English
1155 GMT 26 Apr 90*

[Text] Beijing, April 26 (XINHUA)—Chinese Minister of Commerce Hu Ping hosted a banquet here this evening for a delegation from the Cuban Ministry of Internal Commerce headed by its minister Vila Sosa.

The Cuban visitors arrived here today as Hu's guests for a week-long visit to China. They are expected to discuss matters of bilateral economic and technological cooperation with their Chinese counterparts.

The group is also scheduled to tour Shanghai and Fujian Province in Southeast China later on.

Political & Social

CHING PAO Views National People's Congress

HK2704061090 Hong Kong CHING PAO in Chinese
No 153, 10 Apr 90 pp 42-46

[Article by Chang Mu (1728 3092): "The CPC Says That the 'Two Cold Wars Have Started; the Issue of 'Inviting Other Parties to Join the Cabinet' Will Be Discussed After the National People's Congress Session"]

[Text] The higher echelons of the CPC leadership maintain that the international situation has moved from "a bipolar world" to "a multipolar world" and advanced the view that "two cold wars have started while one cold war has ended."

The CPC will discuss the question of specific candidates from other parties to be invited to join the cabinet in the last ten-day period of April.

The CPC will set up "a leading group for overseas propaganda work" in the near future to change the current situation in overseas propaganda work.

Jiang Zemin stated: Since "dialogue" and cold war or confrontation are interrelated, the "dialogue" formulation should be less frequently used in the days ahead

Hu Jiwei was addressed by Yao Guang as "Mr. Hu" and thus he is believed to have lost his party membership.

The Sixth Plenary Session [of the 13th CPC Central Committee] restated that the economic and political structures should be reformed.

The Issue of Inviting Other Parties to Join the Cabinet Will Be Discussed in April

The Third Session of the National People's Congress [NPC] and the National Committee of the Chinese People's Political Consultative Conference [CPPCC], which were convened before the first anniversary of the 4 June incident, were occasions in which the atmosphere was the calmest and the CPC's administrative intentions were carried out more smoothly than any time during the 10 years or more of reform and opening up to the outside world. Apart from the induction of four new Standing Committee members into the CPPCC National Committee; the replacement of Yan Mingfu by Hong Xuezhong as vice chairman of the CPPCC Standing Committee; and the overall succession of Deng Xiaoping by Jiang Zemin as chairman of the Military Commission, other personnel changes have been delayed until after this NPC session. It has been reported that during the last ten days of April the CPC will call together people from various democratic parties to discuss the issue of inviting other parties to join the cabinet and deciding on specific candidates.

As a political discussion meeting widely open to other political parties it was the first held since the establishment of the Jiang regime. The meeting changed the

previous practice whereby many and varied voices were heard and dissenting views and votes became hot points pursued by the media and gave prominence to the explanations and analyses made by various ranking CPC officials of the position and influence of major policies on domestic and foreign affairs and economic improvement and rectification. Li Ruihuan held: This is the "battlefield" which the CPC created itself. Therefore, we should take the initiative in "launching attacks" and state what ought to be stated. As such, although the new political reform measure which was put forward at the end of last year—multiparty participation in state and government affairs—has made no practical advances so far, the CPC's anticipated goal of putting out the ideological flames of instability and displaying its rock firm position and ruling confidence has been attained.

Image Rebuilding, Increased Overseas Publicity

At the current NPC and CPPCC sessions the hot topics were mostly centered on such issues as economic improvement and rectification, deepened reforms, punishment of corruption, building of a clean government, social order, elimination of the "six evils," environmental protection, people's health, popularization of education, and an improved legislative system. However, thought-provoking statements aired at the sessions were few.

At a panel discussion, Ye Duiyi, vice chairman of the China Democratic League, said: During the unrest which took place in spring and summer last year it was true that bad people stirred up trouble but the fact that they could initiate over one million people from all walks of life taking to the streets of Beijing for demonstrations itself is worth profound rethinking. Like some democratic party personages with long party standing, CHING PAO director Hsu Su-min said: In the 1940's, I pursued democracy and freedom, joined progressive organizations, and criticized the corrupt politics of the Kuomintang. I supported the CPC in building a new regime because I admired the fact that members of the Communist Party shed their blood and made sacrifices before others in working for the interest of the general public and overthrowing oppression. Today, the CPC has ruled for more than four decades. Some cadres have become corrupt and degenerate, abused their powers and positions, squandered and wasted public funds, and even bullied and oppressed ordinary people, thus making bad impressions and seriously defaming the party. This being the case it is very important to combat corruption, encourage honesty in government, and rebuild the party's image.

Questions Discussed at Sixth Plenary Session

The Sixth Plenary Session of the 13th CPC Central Committee, which was held before the NPC session, particularly discussed the questions of unifying the party's ideological line in light of the changes in the situation of East Europe, reforming and improving the two basic political systems of the people's congress and

the CPC-led multiparty cooperation, and closing ties between the party and the masses of people. The higher echelons of the CPC leadership maintained: Bureaucratism, subjectivism, formalism, passivism, corruption, and other serious phenomena which tend to drive the party and the masses apart have grown among some party functionaries in recent years. We should keep high vigilance against these phenomena. It is hard to imagine that one who is indifferent to the well-being of the masses and even infringes upon their interests can maintain close ties with them and win their support. Deng Xiaoping stated: Maintaining the flesh and blood ties between the party and the masses is the fundamental guarantee for the strength and prosperity of the country, the happiness of the people, and the stability of the community. Jiang Zemin said: The process of building close relations between the party and the masses is also a process of struggling against negative phenomena. We should frequently have heart to heart talks with the masses and exchange views with them. However, the "dialogue" formulation warrants studying. Dialogue is needed when two armies are pitted against each other. When "dialogue" is mentioned, people are apt to think about two armies standing face to face ready for battle, one antagonizing the other. Dialogue is related to cold war or confrontation. Why should we use this word? In the days to come, the "dialogue" formulation should be less frequently used. One source said: The Sixth Plenary Session's "Decision on Closing the Links Between the Party and the Masses of People" will be published soon.

The Sixth Plenary Session also pointed out: There are many drawbacks in the existing economic and political structures and a set of sound and perfect structures has not yet taken shape. They really need reform. Hamstrung by various conditions, the reform can only be a process of gradual advance taking a considerably long time. During that period, bourgeois liberalization will still have a market. One should therefore not expect that, with the development of production and perfection of the system, the trend of bourgeois liberalization thought will disappear of itself.

CPC's New Viewpoint on International Situation

When it comes to the recent drastically changed international political situation, the tactics adopted by the CPC are in the following remarks made by Deng Xiaoping: Cope with the situation calmly, observe the situation with a cool head, and take a firm position. We should refrain from rushing for a conclusion. In terms of the situation as a whole, the higher echelons of CPC leadership maintain that the international situation has moved from "a bipolar world" to "a multipolar world" and advanced the view that "two cold wars have started while one cold war has ended." The CPC held: The contradictions between the United States and the Soviet Union have further eased. The trend is that "a cold war has ended."

The so-called argument that "two cold wars have started" refers to: 1) the "peaceful evolution" pursued by

Western capitalist countries against socialist countries, a war without the smoke of gunpowder; and 2) tightened control by international monopoly capitalists over the Third World in the ideological and economic fields, with the latter as the main aspect, thus leading to a situation in which poor countries are getting poorer and poorer while rich countries become richer and richer.

Leading Group for Overseas Propaganda Work Will Be Established

In view of the CPC's damaged international image since the 4 June incident, Li Ruihuan, Political Bureau Standing Committee member in charge of ideological work, and others planned to adopt a series of measures to strengthen propaganda work with foreign countries. A source said: A leading group for overseas propaganda work will be set up in the near future in the hope of putting an end to the situation of overseas public opinion leaning to one side and coordinating and unifying the work and management of press, educational, and cultural departments doing external work.

The current NPC and CPPCC sessions were viewed by the CPC as a good opportunity to display the image of its administration. Therefore Ding Guangeng, member of the the CPC Ideological Propaganda Leading Group, stressed the need to build an image that the situation is very fine and that the pursuit of reform and opening up to the outside world, democracy, and the state's policies remain unchanged.

Multiparty Participation in the Administration of State and Government Affairs Is Imminent

The 13th CPC National Congress set the goal of improving multiparty cooperation and political consultation systems. At the beginning of last year, Deng Xiaoping wrote instructions on a document for this purpose. At that time, the CPC United Front Work Department, with Yan Mingfu in charge, set about working out implementation measures and drafting related documents. Because Deng Xiaoping's instructions explicitly defined the status of democratic parties as parties participating in state and government affairs, the call for people without Communist Party membership to join the cabinet was expressed aloud and, of the candidates recommended by various democratic parties, some had been examined and approved by the organization departments of the CPC. They should have assumed office after being nominated by the State Council and adopted through voting by the NPC Standing Committee after the NPC session held in spring last year. According to stipulations, the State Council is entitled to directly appoint vice ministers. However, after Hu Yaobang passed away in April, the political situation developed turbulently. Li Xiannian said that there appeared "two headquarters" in the central authorities and later Zhao Ziyang fell from power. Consequently, the above move was stranded.

Four Major Powers of Parties Participating in State and Government Affairs Are Explicitly Defined

With the establishment of the new Jiang Zemin regime, the multiparty cooperation system was still advocated as a new measure for political restructuring in the hope of strengthening ties with and influencing the social strata and general public which the democratic parties represent, and even overseas people including those in Hong Kong and Taiwan, by relying for support on their status and role. This will also help solve various social contradictions and strengthen unity among people of various nationalities and in various social strata. At the end of last year, a related document was issued. It explicitly defined that as parties participating in state and government affairs, the democratic parties are entitled to join in the organs of state power; participate in consultation on major state principles and policies and on the choice of state leaders; participate in the administration of state affairs; and participate in the formulation and implementation of state principles, policies, laws, and decrees. Therefore, recommending more people without Communist Party membership to join in government and judicial work became an inevitable outcome.

When the current NPC and CPPCC sessions were convened, Jiang Zemin invited principal leaders of the democratic parties and the Association of Industry and Commerce to an informal discussion in Zhongnanhai. Jiang Zemin, who is good at expressing himself verbally, talked freely about the internal and external situation, conveyed the contents of the Sixth Plenary Session of the CPC, stressed the importance of stabilizing the overall situation, and hoped that the ongoing NPC and CPPCC sessions would end smoothly. His speech lasted for two hours or so. Finally, representatives from the various parties made statements in support of Jiang's speech. The issue concerning inclusion of other parties into the cabinet was thus delayed to some time after the sessions.

What merits attention is that the CPC document on multiparty cooperation stipulates that it is necessary to ensure that members of the democratic parties and people without party affiliations constitute an appropriate proportion of the deputies to the NPC and of the members of the NPC special committees. However, in the document there is no clause outlining how the participating democratic parties will conduct organizational activities during an NPC session.

It has been reported that last year some democratic parties suggested that the NPC allow NPC deputies of the same party from different localities to discuss, exchange views, and study and work out bills together. Zhao Ziyang, the then general secretary, was somewhat inclined to go along with the suggestion. This time, as a CPC authoritative source put it, the Constitution stipulates that deputies to the People's Congress are elected through local elections and are accountable to their voters and they are not elected by political parties. In this regard, the people's congress system is different from the Western parliamentary system. This being the case, in

the people's congresses at all levels participating political parties and organizations are not allowed to organize their activities during a People's Congress session.

Similarly, in the days ahead, democratic party people who assume government or judicial leading posts participate in the exercise of state power in the capacity of an individual and these people should not join the cabinet as the representatives of the interests of their parties. They should act in accordance with the state's laws, decrees, and relevant policies and not with party intentions. One source said: In the early days when the CPC established its government, although many democratic party people assumed important posts in the central government, similarly they followed the principle of individual participation in state and government affairs.

Authoritative sources said: As a ruling party, the CPC occupies a leading position. "The leadership of the CPC over the democratic parties is political leadership, namely leadership in terms of political principles, the political orientation, and major policies." As legal political parties, the eight democratic parties enjoy political freedom, organizational independence, and equal status within the scope of their rights and duties as stipulated in the Constitution. At the same time, the CPC and democratic parties are friends, each cooperating with the other. They have coexisted and supervised each other for a long time. The relationship of coordination and cooperation between the CPC and democratic parties which has formed and developed during the protracted struggle in the nearly five decades past has its own historical backgrounds. Therefore, the CPC will not tolerate the emergence of new political party organizations other than the eight democratic parties.

Five Major Measures Taken To Stabilize Situation

To protect its leading position and the existing political system, the CPC stressed the principle of stability overriding everything and has formulated major measures in five ways. They include strengthening party building, readjusting the industrial structure and rectifying the market order, comprehensively managing social order, exercising better control over and management of the army, and promoting the building of a clean government and the closing of ties with the masses.

Strengthening party building includes theoretical study, organizational rectification, and better displaying the party's role of leadership in all undertakings. Not only have CPC organizations at all levels run various forms of study courses for Marxist-Leninist theories but various enterprises, institutions, and schools also organized study classes for party and Communist Youth League members.

Hu Jiwei Has Been Expelled From Party

In the course of the investigative work and reregistration of party members carried out following the 4 June incident, some "liberalization" advocates, corrupt and degenerate elements, and law and discipline breakers

were given penalties ranging from being expelled from the party to their names being taken off the books to postponement of party membership registration. The NPC spokesman Yao Guang called Hu Jiwei, who was disqualified as NPC Standing Committee Member and NPC deputy, "Mr. Hu." It was thus speculated that he had been expelled from the party along with the disqualification of his NPC Standing Committee and NPC membership.

Nevertheless, although Yan Mingfu resigned all his posts in the CPPCC National Committee because he was revealed at the current CPPCC session to have made mistakes during the turmoil, he had not yet been stripped of his post as director of the CPC United Front Work. According to a CPC authoritative source, no conclusion has been drawn on his mistakes. In fact, he was not alone in this case. Bao Tong, former director of the Research Center for Reform of Political Structure of the CPC Central Committee and Qian Liren, former director of RENMIN RIBAO, an official CPC newspaper, have already been removed from their posts but similarly, no clear and definite conclusions have ever been revealed to the public.

What attracted people's attention is that with the exception of Wu Xueqian, who was on a trip to Africa and Yang Rudai, secretary of the Sichuan Provincial CPC Committee and member of the CPC Political Bureau, all CPC members at the Secretariat level or above, attended the current NPC session.

Leading Cadres Should Be Politically Reliable

Jiang Zemin stressed: Senior leading CPC cadres should be staunch Marxists. Hence, the leading body of the CPC should be composed of office bearers who are politically reliable.

In the economic field, stress is put on industrial readjustment and market order rectification. Particular efforts are devoted to greater investment in agricultural production and the coal, petroleum, power, and transport industries. The existing pattern of interests will be readjusted, with the part being subordinated to the whole and immediate interests to long-term needs. In improving the economic environment and rectifying the economic order, flexibility is needed to solve the difficulties facing large and medium enterprises and avoid excessive contraction and contradictions from intensifying. On the other hand, efforts are needed to maintain overall economic control to avoid demands from excessively expanding once again. While attention should be paid to the continuity and stability of the policies currently in force, and rashness avoided in negating the reform measures now in place, importance should also be attached to the "negative effects" cropping up in the reforms in some fields of endeavor and active efforts should be made to readjust and improve them.

The army is the important pillar of the state. The CPC stressed: It is necessary to strengthen army building, purify the ranks of military personnel, and ensure the

power to command the army is always in the hands of the party. Yang Shangkun said: Before and after the 4 June incident, the army triumphantly fulfilled the martial law enforcement tasks and it was evaluated by Deng Xiaoping as having "passed muster." However, this does not mean that the army had done the job 100 percent satisfactorily. There are still some experiences, positive and negative, and errors worth summing up. This is the first time the CPC has made this kind of indication.

Major Cases of Dereliction of Duty or Malfeasance Will Be Investigated

Punishing corruption and advocating clean government is a matter of vital concern to the general public. It has been reported that the seven measures taken by the CPC to bring about a clean government have produced marked results. Considerable advances have been made in screening and rectifying the China International Trust Investment Corporation, the Everbright Industrial Company, the China Kanghua Development Corporation, the China Industrial and Commercial Development Corporation, and the China Rural Trust and Investment Corporation. Tian Jiyun and Luo Gan took charge of the screening and rectification. The China Kanghua Development Corporation and the China Industrial and Commercial Development Corporation have been disbanded by the State Council and the China Rural Trust and Investment has been merged with the China Agricultural Investment Corporation. The internal and external business affairs, assets, funds, creditor's rights, and liabilities of these companies, as well as their personnel, have been successively readjusted and transferred and their cases, which were already ascertained through investigation, have been handled one by one.

A person in the higher echelons of CPC leadership pointed out recently: In addition to the cases of corruption, bribe taking, and abuse of power for private gain, cases such as not implementing the party's policies and principles, implementing them according to one's own needs or complying in public but opposing them in private, giving thought exclusively to local interests to the neglect of state interests, and not strictly enforcing orders and prohibitions, should be seriously investigated and handled. Great stress should also be placed on investigating and handling major cases of dereliction of duty or malfeasance because, in some instances, they brought the state losses amounting to several millions or tens of millions of yuan. People involved in these cases should be investigated and held responsible for their doings with the exception of the derelicts who truly lacked experience.

RENMIN RIBAO Criticizes Chen Yizi

HK2604140190 Beijing RENMIN RIBAO in Chinese
21 Apr 90 p 2

[Article by Gong Zuozhou (7895 0146 0719) and Jin Can (6855 3503): "Let's See What Chen Yizi Really Is"]

[Text] Chen Yizi, the so-called "brain truster" who brags of "being one of the elite," is actually a law-breaking and unscrupulous fellow. When turmoil broke out in the late Spring and early Summer of 1989, being the director of the China Institute for Restructuring the Economy [IRE], he was first of all very glad, then he stirred up feelings, and finally exposed his schemes and intrigues. After the counterrevolutionary rebellion in Beijing was quelled he escaped in panic, thus tearing off all his disguises. He then began to fawn on the Western bourgeoisie, sought help from foreign hostile forces, and engaged himself in activities to betray the socialist motherland.

When this culpable Chen Yizi was wanted by our public security organ, he bragged in a Hong Kong magazine by quoting an old saying: "I am not afraid that people do not know me but I am afraid that I do not know them." Actually, this saying applies to him when it is reversed thus: "I am afraid that people know me but am not afraid that I do not know them." If people know what he really is, who will listen to his nonsense? If he knows what people think about him, will he not be ashamed before them? Now, we are going to tell everyone what he really says and does so that they "will know" about him.

He Publicly Incites Overthrowing of Communist Party

No sooner had he fled the country than he ganged up with Yan Jiaqi and Wan Runnan, "elite experts" in planning and organizing the turmoil and counterrevolutionary rebellion. They also set up a rebellious organization known as "the Federation for Democracy in China [FDC]." According to overseas papers and magazines, after members of the gang succeeded in their escape they did not know what to do. When Chen Yizi arrived, he became "head of all leaders." He was elected "chairman of the preparatory committee" of "the FDC." When "the FDC" was founded, he presided over the opening ceremonies for it, which was a farce. However, Chen Yizi, who has a whole bag of tricks, did not stand for the FDC's chairman election. He only became a "director" and advocated the founding of "the Scientific Democracy Fund Association" to serve as the think tank of "the FDC." In this way, he has paved a way for himself on which he can advance and withdraw.

The nucleus of our sticking to the four cardinal principles is to stick to the CPC's leadership. As a representative of those who stubbornly stick to bourgeois liberalization, the speeches Chen Yizi made abroad are, first of all, aimed at lashing out at the CPC's leadership. He lied by saying that "the CPC one-party dictatorship in the mainland" "is the common disaster of the various nationalities in China." On 15 October 1989, he delivered a speech, the first after fleeing the mainland, entitled "The Ten Years' Reform and the Democracy Movement 89" at the University of Columbia in the United States, publicly inciting people to overthrow the CPC's leadership by saying that "the country is hopeless under that kind of CPC leadership." In speeches he made abroad he reiterated "the diversification of politics."

What is "diversification?" In an interview with BAIXING magazine, Chen Yizi said, concealing none of his true feelings: "Political structural reform in essence means to share in the CPC's power" or "to negotiate with the tiger to skin its skin." When speaking at the University of Pittsburgh in the United States on 1 December 1989, he said more explicitly, recalling the situation in Tiananmen Square in the second half of last May: "At that time, if a lion-hearted person had stood up and called on everyone to occupy the press, radio stations or TV stations, or to publish a notice to convene a central plenary session to solve the national problem, the situation would have been different." Whereas five months before, this very Chen Yizi solemnly acknowledged in his "Report to the IRE Party Organization" that "he was a communist and had to be responsible for the party" and that "he felt no qualms before the party and the people for the previous 10 years." As a matter of fact, his pet phrase "being honest to others and sincere in handling matters" is only a mask.

After Chen Yizi fled the country, he began to label himself as a "reformer" abroad. Then, what is the objective of his reform? That is "the Third Road," which he has advocated on many occasions. An interview carried in Hong Kong BAIXING magazine disclosed that as early as 1984 Chen Yizi already held: "If China does not take the Third Road it will be hopeless. It is not only necessary for it to take it. It will surely take it." What is the Third Road? In the political aspect, Wan Runnan explained in his speech at "the FDC" opening ceremonies: "It is necessary to create an anti-CPC political strength." In the economic aspect, Chen Yizi explained that "economic reform deals with the problem of ownership which is the economic foundation of China" and that "the foundation of economic reform is the question of whether or not people can own property." In other words, this means the institution of the private ownership of the means of production. Obviously, the Third Road is nothing new. It is actually the capitalist road.

In consideration of its own experience, China cannot take the capitalist road. It is simply because China is economically backward and because the majority of people still cannot eradicate poverty. The CPC, which represents the interests of an overwhelming majority of people, of course, will not allow itself to take this road. Chen Yizi also understands this, so he said hopelessly: "It is very difficult for this regime to make any changes." What shall they do then? According to his logic, it is natural for them to attempt to overthrow the people's regime or to make the CPC step down. His various arrogant acts mentioned throughout this article are rooted in that.

Now Chen Yizi claims pitifully to be "a reform that has failed," that is, one who has failed in his attempt to take the capitalist road. However, he has not stopped with his failure. He still has many fancy ideas: "We expect earnestly to see a confrontation between a weak central leadership headed by a weak leader and strong local

forces." "If China's basic economic, political and social problems cannot be solved, the masses will become dissatisfied. This will lead to political paralysis.... Then, we can return to China earlier." He asserted: "It will only be effective when overseas protesting forces act in such a way as to disintegrate the interior of the CPC." What are the overseas protesting forces? Chen Yizi said clearly: "They include Taiwan and Hong Kong, and those on the Dalai Lama's side."

What is more shameful is that Chen Yizi directly seeks foreign hostile forces by saying: "I personally think that it is necessary to place economic sanctions on the present Chinese regime." "This is absolutely necessary." When delivering a speech in Paris on 7 September 1989, he begged "every country in the world to continue with their protests against the Chinese Government and to place economic sanctions on it." He even complained that the United States did not offer enough support to his gang and that the U.S. economic sanctions were not effective enough. Moreover, he used a downright slave's tone to say this: "The present Chinese regime opposes the long-standing and fundamental interests of the United States."

The abovementioned attempts and behavior of Chen Yizi help us to see him in his true colors. The more conscientiously he acts, the more clearly his evil of betraying his motherland and his nation will be exposed. An article written by a Taiwan reader carried in EUROPEAN TIME says directly: "Chen Yizi brags he is a theorist. But he has only expounded the theory of selling himself...or the theory of losing his human dignity and his love for his country.... He is not even worthy to be called scum at all."

Make Preparations Prior to Rebellion

In fact, as early as 1989, the real Chen Yizi had been seen fully when the turmoil and counterrevolutionary rebellion broke out in Beijing in the late spring and early summer.

When Comrade Hu Yaobang passed away on 15 April, an extremely small handful of people saw the opportunity and started a rebellion at once. Staying in a hospital at the time, Chen Yizi was exhilarated by it. He expressed great appreciation for the turmoil that spread from Beijing to other places by saying that "the spirit of the people is not extinct and the morale of the people can be used." What did he 'do' with "the morale of the people?" He used it to cause social disorder through the student movement in an attempt to practise bourgeois liberalization which he could not practise when society was stable. And then he visited many places, did a good deal of lobbying, invented stories, charged the Beijing Municipality party committee with "giving false and deceptive reports on the turmoil to the Central Committee." In fact, the situation at that time was even worse than reported by comrades of the Beijing Municipality party committee. This he, who says he is "far from making decisions," knows very well.

On 18 May, Chen Yizi got "inside information" from someone. On the morning of 19 May, he gathered some responsible persons from the State Council Agricultural Research Development Institute, the International Research Institute of the China International Trust and Investment Corporation, the Beijing Economic Study Society for the Youth, and from IRE cadres at and above the departmental level. He then asked Gao Shanqing, the then vice head of the Research Center of the CPC for Reform of Political Structure [RCRPS], to disclose party and national top secrets and to say that Comrade Zhao Ziyang supported the turmoil and separated the party. Afterwards, Chen Yizi said at the meeting in an inciting manner: "We must not hold our peace but must take a clear-cut stand. It is necessary to make a declaration now." He dictated the contents "concerning the six-point declaration" and decided to publish it in the name of "the three institutes and one society." This declaration changed the turmoil into "a patriotic and democratic movement" and he demanded treacherously that "the inner stories and differences in decisionmaking among high-ranking leaders be told." On the other hand, he implied that the people's government must "take extreme measures such as military rule." This served as public opinion for mobilizing the innocent masses to stop law-enforcement troops and armored cars from entering the city, thus causing some mobs to start the counterrevolutionary rebellion.

That afternoon, Chen Yizi assembled all IRE personnel for a meeting and coerced all IRE cadres to participate in the rebellious activities he supported. On the early morning of 20 May, with the consent of Chen Yizi, some IRE people including Zhang Gang made a declaration in the name of "the three institutes and one society," that is, "another declaration concerning the present situation," to publicly slander the decision policies of the CPC Central Committee, and also lashed out at Comrade Li Peng.

On the morning of 20 May, Chen Yizi went to see Bao Tong at the RCRPS, the then director of the RCRPS, to make secret plans with him. Bao Tong admired his "six-point declaration." At the same time, he told Chen Yizi not to expose himself too much and taught him how to act.

When Chen Yizi got back to the IRE from his visit to Bao Tong, he thought that the declaration made in the name of "the three institutes and one society" had exposed him too much. He then had someone burn the tracts of the "declaration" and notified the press units that had received this declaration not to publish it. Moreover, he decided to continue the activities of the counterrevolutionary scheme by other new methods. He quickly assembled some people from the IRE and from the Development Institute of the Agricultural Research Center and made a long speech before them. He first claimed that the "six-point declaration" had produced enormous influence and then he wantonly attacked the decisions of the CPC Central Committee on effecting martial law in some areas of Beijing and stopping the

turmoil, saying that it was the result of a series of conspiratorial activities. After making some incitement, he prepared several leaflets but he insisted on not using the name of "the three institutes and one society" and not sending people of the "three institutes and one society" to post or distribute them. With a intriguer's tone he said: "The situation is grim. We need strategy for the struggle and we must not be bookish." At this meeting, they discussed various specific matters such as the headlines of anonymous leaflets, the main points of their contents, writers, printing and distribution. He wrote four reactionary leaflets entitled "Li Peng Himself," "An Urgent Call to Compatriots All Over the Country," "A Request to the NPC Standing Committee To Use Its Power," and "An Urgent Call to the NPC Standing Committee To Impeach Li Peng" and addressed them to "those people who know the truth" and "organs of the CPC Central Committee and of the State Council; to party members, cadres, staff and workers of their direct subsidiary departments;" "citizens of the republic;" and "300 or so people from the intellectual circles in the capital." This kind of shameful and deceiving practice only demonstrates that he is politically reactionary and degenerate.

During this time, Chen Yizi offered indirect material support to the illegal groups that were occupying the Tiananmen Square. He appropriated nearly 40,000 yuan of public funds to support "the Autonomous Union of Beijing University Students" and "the Autonomous Union of Students of Universities in Other Places" for their financial and material needs. Chen Yizi called a meeting of cadres at and above the deputy director's level. At that meeting, he threatened that whoever reveals the secrets of the IRE is an "apostate" and a "person condemned by history." After the counterrevolutionary rebellion was quelled, Chen Yizi escaped in a panic and took the ignominious road leading to the betrayal of his motherland.

Owing to the abovementioned Chen Yizi's various acts during the Beijing turmoil and counterrevolutionary rebellion, the State Commission for Restructuring Economy [SCRE] decided to discharge him of his positions as an SCRE member and as the IRE's director. On 11 September 1989, his office was cancelled. The IRE party committee's newspaper announced, with the approval of its superior party committee, that Chen Yizi was excommunicated from the party.

Self-Boasting Dumbfounds One

While attacking and condemning the CPC and the socialist system abroad, Chen Yizi made a point of boasting about his stories. He bragged about his "contribution" during the reform over the past 10 years. Now let's look at his "glorious" history.

During "the Great Cultural Revolution," Chen Yizi was still an undergraduate at the University of Beijing; he once wrote this in his article "a small knot": "At the beginning of the Proletarian Great Cultural Revolution,

I was there on the farthest front, that is, participating in the 'Third Headquarters of the Beijing Red Guards' and caused a sensation in a dozen provinces and cities."

"In 1976 when the 'Gang of Four' was devoted to 'criticizing Deng and counterattacking the rightist tendencies,' I was deeply involved in that too." At that time, Chen Yizi was the party secretary of a commune in Queshan county of Henan Province. He wrote a lot of articles and presided over various criticism meetings to criticize and denounce rural grass-roots cadres. After the "Gang of Four" was shattered, on November 1978 Chen Yizi was discharged of his position as commune party secretary with the approval of the prefectural party committee because he "suddenly promoted cadres and did not meet work standards," and for other reasons such as that he was greatly influenced during the rampage caused by the "Gang of Four and that he had no understanding of his mistakes."

Over the past 10 years of reform, has he really been what he said of himself: "one participating in the institution of rural reform" or "one of those who first proposed the most fundamental plans for the rural reform?" Has he been as he has boasted in recent years, that he participated many times in drafting the "Number One Document" for rural problems? No. According to relevant comrades he did not participate in the drafting of any of the several central "Number One Documents" concerning rural problems. He only attended a discussion during the preparatory period for the "Number Document" in 1983. Moreover, Chen Yizi claimed everywhere that he participated in the preparatory work for the 13th CPC Central Committee. But it was found that he did none of the preparatory work for the 13th CPC Central and that he was not a member of the drafting team for the 13th CPC Central Committee either. Chen Yizi's self-praise and self-boasting dumbfounded those who know the truth.

As a matter of fact, in recent years Chen Yizi has spread the idea of bourgeois liberalization under the guise of "researching reform." He either wrote articles for SHIJIE JINGJI DAOBAO [Shanghai World Economic Report] or spoke on public occasions to explicitly or implicitly oppose the four cardinal principles.

Chen Yizi has always been proud of being a "hero" against corruption. In fact, he daringly wielded his power to seek personal gain. It was discovered that in recent years he had twice used his powers to buy and redecorate his apartments. In early 1987, he hired workers to reconstruct the 200 square meters of courtyard purchased by the IRE, breaking the regulations, and changed it into eleven rooms, one of which was elegantly decorated for his own use, costing a total of 152,000 yuan. In early 1988, Chen Yizi refused to live there with the excuse that the apartment was poorly equipped and outmoded. In February 1989, through some connections he was able to exchange for his own use an IRE's staff and workers' dormitory which has four suites, two rooms, and one living room embracing 227 square

meters for two apartments with one having three rooms and one living room and the other two rooms and one living room embracing a total area of 150 square meters. In May, when the turmoil was taking place, Chen Yizi sent people to lavishly decorate the two apartments at the expense of the IRE. It was found that he used nearly 200,000 yuan of the IRE Director's Fund as well as some foreign currencies including 20,000 U.S. dollars. The IRE Director's Fund was almost solely appropriated by Chen Yizi. He used the money to entertain his guests and buy presents for them. Whenever he went abroad, he used some of the money he brought out of the country illegally. He also spent 3,500 yuan purchasing book shelves and desks. In the second half of May, he even privately took away 5,000 yuan.

Journalists from Hong Kong and overseas who do not have any idea of the truth easily believe what Chen Yizi brags about and have become his eulogists believing him to be "someone who upholds justice and rejects favors." In the face of the abovementioned, what do the eulogists think about him?

Wu Xueqian's Son One of Few Still Imprisoned

*HK2704030090 Hong Kong MING PAO in Chinese
27 Apr 90 p 2*

[Report by special correspondent Ho Ping (0149 7340): "Wu Xueqian's Son Is Still Imprisoned for Denouncing the '4 June Massacre'"]

[Text] A report from Beijing said that Luo Yuping, daughter of former Chief of General Staff Luo Ruiqing, who was arrested in July last year on charges of supporting the prodemocracy movement, has been freed but discharged from the army.

Luo Yuping is 41 years old and a medical officer at the General Staff Headquarters Clinic. She used to write literary articles under the pen name "Dian dian," including a lengthy biographical article entitled "Senior General Luo Ruiqing." Luo and Yang Shangkun were always on good terms. When the "Cultural Revolution" was launched in 1966, both Luo Ruiqing and Yang Shangkun were assailed as members of the "Peng (Zhen)-Luo (Ruiqing)-Lu (Dingyi)-Yang (Shangkun) counter-revolutionary group." They were dismissed from all their posts and thrown into "cowsheds."

After the "Cultural Revolution," Luo Ruiqing reassumed the post of chief of general staff but soon died of disease.

It has been learned that Luo Yuping maintained close ties with senior military personnel but she was arrested last July by the military on charges of being sympathetic to and supporting the 1989 prodemocracy movement and disclosing military secrets to college students. She has now been released after her mother asked for help from different circles but she could not retain her military status.

Quite a number of children of senior officials were involved in the 1989 prodemocracy movement but most of those arrested have been freed through "back doors." Nevertheless, Wu Xiaoyong, son of State Council Vice Premier Wu Xueqian and head of the English Department of the China International Broadcasting Station, is still in prison. He was arrested on charges of drafting and approving a broadcast manuscript denouncing the "4 June Massacre."

Commentator Marks 20th Anniversary of Earth Day

*HK2704011790 Beijing RENMIN RIBAO in Chinese
22 Apr 90 p 2*

[Commentator's article: "Let Us Love the Earth!—Written on the Occasion of the 20th Anniversary of 'Earth Day'"]

[Text] At the time when spring is very much in the air, we have greeted the 20th anniversary of "Earth Day." Today, more than 130 countries have held all kinds of activities to mark this day of special significance. It shows a universal concern for environment and represents a new starting point in the large-scale global mass campaign of environmental protection.

Earth is the only home of mankind. Loving earth and protecting environment is a question of common concern. More and more people have recognized that environmental pollution is one of the biggest threats to the human race. Deterioration of the ecology, extinction of wildlife, damage to the ozone layer, the greenhouse effect, acid rain, and desertification are serious problems disturbing people's feelings. These are by no means alarmist talk by ecologists. Although the identified biological species in nature total over 1.7 million, they are being reduced at an average of one disappearance every hour; although the world's forests cover an area of over 4 billion hectares, some 20 million hectares of forests are disappearing every year; although the world has a considerable amount of land and fertile grassland, more than a million hectare of land is being desertified every year.... Naturally, this is not the whole of the story described by ecologists. Some people say: "The 1990's is the last opportunity for mankind to resolve the question of resources and environment." The global ecological deterioration today has indeed reached a stage where everyone should bear responsibility!

China is also challenged by the deterioration of the environment. Pollution of the air and water, solid waste, and other contamination have caused great economic losses. It is one of our major tasks in the course of the socialist modernization program to develop the economy and protect the ecological environment at the same time.

The CPC and Chinese Government have paid great attention to environmental protection, listing environmental protection and population control as fundamental national policies. The National People's Congress has worked out a series of laws including the

"Environment Law" to protect the environment and resources and to control pollution. The State Council has promulgated a series of regulations and measures for environmental protection and beefed up the government environmental protection departments at all levels. Local governments have also made great efforts to organize the people to improve the environment. The ongoing major afforestation project to shelter 13 provinces and autonomous regions in north China has attracted worldwide attention. We are now exploring an environmental protection road with Chinese characteristics focused on strengthening management. However, we cannot neglect the problem of some people remaining indifferent to environmental protection while others are working hard. We are distressed to see some localities and enterprises pursue their own interests without consideration for and even at the expenses of the ecological environment. Some people, seeking short-term profits, destroy forests, denude the land, destroy mineral resources, and poach wild animals. This is tantamount to exhausting the wealth left over by ancestors and doing evil to the future generations. They have been and are now being punished by nature. In defiance of law and discipline, some destroy the ecological balance and plunder resources while others are building and protecting the environment. They have even stretched their hands to the upper reaches of Jinshajiang and Shennongjia! Although these practices differ in nature and circumstances, they are all harmful and impermissible. Environmental protection should be included in the question of administering the country according to law.

"A prosperous country should have a fine environment and maintain its ecological balance." To love the earth, we should first love the land under our feet on which we depend for existence and cherish all kinds of resources on our land. China's "Earth Day" activities are intended to publicize our environmental policies, disseminate knowledge about environment, foster an awareness of environment, and mobilize and organize the broad masses of people to participate in environmental protection. Let us use our hands to protect every tree, blade of grass, mountain, and river and make the country look more beautiful!

The earth is our cradle and the cradle is calling:

Love the earth!

Forum on Malpractice in Housing Held in Beijing

OW2704060690 Beijing XINHUA Domestic Service
in Chinese 1028 GMT 16 Apr 90

[By RENMIN RIBAO reporter Chen Weiwei (7115 4850 0251) and XINHUA reporter Hu Qinghai (5170 3237 3189)]

[Text] At today's concluding session of the forum on screening private residences built by party members and cadres in violation of discipline, Liu Liying, Standing Committee member of the Central Discipline Inspection Commission, pointed out that party and government

cadres building houses in violation of discipline has become a prominent problem of the corruption phenomena. Under the unified leadership and plan of party committees at the same level, discipline inspection commissions at all levels should investigate illegally-built houses, as it is a major task of punishing corruption and improving party workstyle, and truly implement the guidelines of the the Sixth Plenary Session of the 13th CPC Central Committee.

The reporters have learned from the forum that, since the Central Discipline Inspection Commission issued an open letter in 1983 to the leadership of party and government organs at all levels—as well as enterprises and institutions—urging them to resolutely stop any irregularities involving party members and cadres in housing construction and distribution, discipline inspection commissions at all levels have, under the leadership of party committees, worked together with relevant departments in earnestly investigating violations of discipline by party members and cadres involving housing construction and distribution. It has implemented a number of measures and achieved some success. However, due to various reasons, including greed on the part of some cadres—especially leading cadres at the county level or lower—inadequacies in housing policy, and loopholes in rules and regulations, many party and government cadres have continued to violate laws and discipline concerning housing construction. In some areas, the problem has become even worse. In building private residences, some party members and cadres illegally used public land; some abused their powers to raise money to build private houses; some turned their private houses into premises for business; some illegally rented or sold houses for profit; some, under the pretext of housing reform, built high-standard houses with public funds and sold them to themselves at low prices; and some misused foreign exchange to purchase commodity houses for leading cadres.

Liu Liying said: Party and government cadres building private residences in violation of law and discipline have drawn intense complaints from the masses and harmed the party's prestige and image. We shall not be able to carry out the guidelines of the Sixth Plenary Session of the 13th CPC Central Committee and maintain close ties with the masses if this problem remains unsolved. She urged party committees and governments at all levels to put the investigation of illegally-built houses on their agenda and regard this task as an important part of the efforts to punish corruption.

Responsible persons of the Central Discipline Inspection Commission, the State Council Office for Housing Reform, the State Land Administration Bureau, and the Ministry of Construction as well as discipline inspection commissions from Guandong, Shanghai, Hunan, Jianxi, Guizhou, Shaanxi, Zhejiang, Heilongjiang, Hebei, and Beijing, took part in the four-day forum. They discussed the serious harm done by party members and cadres who have built houses in violation of discipline, and studied

ways to effectively check violations of discipline involving housing construction.

Commentator on Strengthening Policy Consultancy

*HK2604124990 Beijing RENMIN RIBAO in Chinese
13 Apr 90 p 2*

[Commentator's article: "Strengthen Policy Consultancy and Research Work"]

[Text] It is definitely necessary to strengthen policy consultancy and research so that government decision-making is better served. Earlier, the Sixth Plenary Session of the 13th CPC Central Committee made the decision to strengthen relations between the party and the masses, pointing out: "Our party must make more intimate our relations with the masses, must lead the people in marching triumphantly. The primary question is therefore to ensure that decisions and the enforcement of decisions accord with people's interests." From this it can be seen that the problem of decision is intimately related with the destiny of the country and people, and is tightly linked with the security and risks of socialist undertakings.

Policy consultancy and research work is integral to government decisionmaking. The single aim of policy consultancy and research work is to help decisionmaking. Consultancy dates from ancient times. In Zhu Gelang's "First Part of a Memorial to the Emperor on the Eve of the Campaign" appeared the statement that "to consult well and accept advisors' opinion will necessarily help, make up for inadequacies, and extend our knowledge." Generally speaking our party has valued investigation, research and policy consultancy work. We have the fine tradition of consulting the masses for policy line for our work, which was formed in the long years of struggle. We have also suffered from serious decision mistakes because we had deviated from this fine tradition. Now, provinces, autonomous regions, municipalities and some of the cities under direct provincial authorities have all established integrated policy consultancy research institutes subsumed within governmental hierarchy; and have gathered together a batch of policy consultancy staff, including some experts and scholars. This shows that local governments have understood the necessity and importance of policy consultancy work. However, while in their minds they may attach increasing importance to such work, there are still the problems of insufficient guidance and infrequent use, and the problems should be pragmatically addressed and improved. Policy consultancy research work should be put on government agenda, made a part of the decision-making process; in other words the work should be institutionalized and ensured by the systems. Decisions on important issues should not be hurried through if not having gone through comparison with various model options, nor scientifically argued out. Decisions based upon profound and careful consideration were often seen in the history of New China, and it is not infrequent that we suffered losses from decisions made in a hurry.

The latter situation has often to do with incomplete decisionmaking systems and procedures. Today, with the changes in situations and conditions, the complexity and degree of difficulty of decisionmaking have increased considerably, which is all the more reason why we must pool our thoughts and extend our knowledge and build a system to go with such activities.

In the process of strengthening guidance, full attention must be given to the special nature of policy consultancy and research institutes. Policy consultancy and research institutes will and should notice the intention of leaders responsible for decisions. Where it should give its opinion, it should offer suggestions and advice based on its research results, which it obtains after analyzing the situation according to objective realities. As long as this advice and suggestions have grounds and are logical, they may or may not be identical with the intention of leaders, or may contradict with the wishes of leading decisionmakers. Encouragement must be given to such institutes to reflect the truth, give true opinion, and carry out their jobs based on the principle of seeking truth from facts. The necessity and benefit for leading decisionmakers of such work will speak for themselves. Of course, leading decisionmaking organs and such institutes may not see eye to eye on issues, and it is understandable that decisionmakers cannot, and should not, listen to only one side of the story.

Policy consultancy and research institutes must also strengthen the construction of their ideology, work style, and organizations. Here I would like to stress more about ideological construction. Since policy consultancy and research institutes act as assistance counsels for leading government decisionmaking departments, and offer advice on grand policy lines under the direct leadership of the same level of government, such an objective status and function as theirs determines that they must be politically consolidated, and ideological guidance for them must be correct. The current international climate and last year's disturbance reminded us to attach more importance to this aspect. People will not forget the damage done to their undertakings because they had relied upon people with ingrained bourgeois liberalized thinking as "think-tanks."

Policy consultancy and research is creative mental labor. The standard of its work requires the liberation of the mind and seeking truth from facts. We must insist on taking Marxism as the guidance for our policy consultancy and research, and not any other thinking. "A country can prosper on one statement, and be ruined on another." The four cardinal principles are one statement, while bourgeois liberalization is another. The opposition between the two will be of a long-term nature. All of our policy consultancy and research workers should gradually come to grasp the ideological weapon of dialectic materialism and historical materialism, correctly understand the objective world, and resist bourgeois liberalized thinking.

Policy consultancy and research is here to serve democratic, scientific decisionmaking, and so its own democratic and scientific levels must first be raised. We must encourage an exploratory spirit, and exchanges between different academic viewpoints. All of our massive policy consultancy and research workers earnestly wish and feel responsible for advancing our country's politics, economy and society, further developing them steadily along the socialist path. We should create conditions and broaden opinion channels to make it possible for the workers to exercise their talents and serve the country. All constructive advice, including criticism and warnings, from policy consultancy and research workers should be welcomed. They must not report only good news and not bad news. Of course, neither should they report only bad news.

The most important thing in organizational construction is that of leading groups. Offering advice and selecting cadres carries great significance. All of the construction of ideology, work style and business operations, and so on, relies on organizational construction. The leadership power of policy consultancy and research institutes must be in the hands of cadres loyal to Marxism. The status and functions of such institutes determine so; and the lesson of last year's political disturbance has reminded and taught us to do so. Such leaders will resolutely support the one center, two basic points, and will not be of a kind with one of his hand soft, while the other tough. They should have a stronger sense of policy, be able to unite all of the policy consultancy and research staff, to perceive new trends, sum up new experiences through creative explorations, propose practical policy advice, release the inner vitality of the socialist system, and adjust the work under their leadership to the demands of construction, reform and opening up, and the improvement of decisionmaking standards.

Now we already have a politically reliable and fairly professional policy consultancy and research force featuring the combination of the older, middle-aged, and younger generations. The force has continued to grow in number and strength. If we are good at leading and making use of the force, our policy consultancy and research work will see a new dimension, further help raise the standard of decisionmaking, and make it serve the interests of the people better.

Trade Unions Meet, Decide Important Tasks

OW2604073790 Beijing XINHUA Domestic Service
in Chinese 1220 GMT 21 Apr 90

[By reporter Zhao Yuqing (6392 3768 1987)]

[Text] Changchun, 21 Apr (XINHUA)—At a grass-roots meeting of the All-China Federation of Trade Unions which ended in Jilin City, Jilin Province, today, it was pointed out that it is necessary to put the stress of trade unions' work on the grass roots and to turn them into mass organs of the working class that are full of vitality, perform real service, and earn the trust of the masses of

workers and staff members. It is also necessary to change them into real bridges between the party and the people.

The All-China Federation of Trade Unions, with upwards of 96 million members, has more than 560,000 grass-roots trade union organs in all enterprises, institutes, and organizations across the nation. At this meeting, an exchange of information on work conditions of grass-roots trade unions in all localities was made. Resolutions were adopted on enhancing the vitality of grass-roots trade unions and continuing to improve and expand clubs of workers and staff members.

The meeting stressed the necessity of having the federation's leading organs at all levels improve their functions and work styles, go deep into the realities of life, go down to the grass-roots unions, strengthen investigation and study, improve guidance to and service for grass-roots trade unions, and help them solve real problems. It is imperative for grass-roots trade unions to actively mobilize and organize workers and staff members under the leadership of party organs and trade unions at higher levels and to concentrate on the goals of construction and reform of their own units. They should launch socialist labor competition focusing on the idea of "double increase and double economy" and mass activities on rational suggestions, creations, and inventions. They should improve and strengthen democratic administrative systems that take the conference of the representatives of members as their basic form; conscientiously safeguard their master position and democratic privileges; listen to the call of the people; care about their suffering; establish necessary mass connection systems and a channel that reflects the opinions of the people; play the role of trade unions as communist schools; promote political and ideological conscientiousness, as well as the cultural and technological quality of workers and staff members; and continuously advance the construction and reform of trade unions themselves to perfect democratic life and the system of grass-roots trade unions and to make a success of transforming the party's propositions into conscientious actions of workers and staff members through the democratic process of trade unions.

RENMIN RIBAO Views Role of Working Class

HK2704104590 Beijing RENMIN RIBAO in Chinese
16 Apr 90 p 6

[Article by Yu Hongen (0060 3163 1869): "Bring the Role of the Working Class Into Full Play as the Principal Force"—Excerpts From Writer's Speech at Forum Held by RENMIN RIBAO on Study of Government Work Report]

[Text] The Third Meeting of the Seventh National People's Congress [NPC] appeals to people of all nationalities across the country to be filled with enthusiasm for, and make efforts to, bring about the further political, economic and social stability of our country; and to confidently continue on the socialist road marked with Chinese characteristics under the CPC's leadership. We,

the working class, resolutely respond to it and are determined to use all our strength in our own posts with the high sense of responsibility of a master.

The remark on political, economic and social stability in the government work report given by Premier Li Peng won the strong sympathy of all delegates to "the NPC and the Chinese People's Political Consultative Conference [CPPCC]." This also strongly reflects the thinking of 130 million staff and workers throughout the country. The 10 years of reform and opening up has shown that when the political situation is stable and united, and when the overall national situation is stable, successes and advancement of the socialist cause can be ensured. After last year's political turbulence, vast numbers of staff and workers should be more aware that stability is where the fundamental interests of the working class and the people all over the country lie. Without stability, we will have nothing. To stabilize the overall situation is what people want and is the trend of the times. Our 130 million staff and workers are the strong and concentrated force to ensure the political, economic, and social stability of our country. As far as the stabilizing of the overall situation is concerned, the vast numbers of staff and workers must stick to the four cardinal principles, take a firm and clear-cut stand, and bring into full play their role as the major force. They must unify vast numbers of laboring masses in bravely and skillfully putting up a resolute struggle against the hostile forces at home and overseas that attempt to hamper the stability of our country.

To stabilize the contingents of staff and workers is very important to stabilizing the overall situation. Moreover, it is necessary to foster the working class itself, enhance the thinking and consciousness of staff and workers, improve their awareness and their ability to resist and oppose the ideas of bourgeois liberalization so that they can become contingents of staff and workers that are highly conscious politically; then they can be of more help to stabilizing the overall situation and to economic development.

Political and social stability is the prerequisite while economic stability is the foundation. The working class shoulders an extremely important mission in stabilizing economy and developing it. The vast numbers of staff and workers must be fully aware of the current difficulties and use the favorable conditions to overcome them. They must use the spirit of "the NPC and the CPPCC" as the driving force, arouse the sense of responsibility of a master and the spirit of being original, energetically overcome difficulties, develop the economy, and continue with the reform. Workers' unions at all levels must tenaciously pay attention to production and waste reduction, and to increasing income and reducing expenditure. They should carry on more thoroughly and more effectively the socialist campaign with "the double increase and double reduction" as its main content. They must unify and lead the vast numbers of staff and workers, put forward various rational suggestions on increasing economic returns and effective supply, make

efforts to readjust the industrial structure, improve operational management, promote technological transformation, and explore their inner potential. They must reduce consumption, oppose waste and develop economy in a way that little capital is invested while production and economic returns are high. They should bring into play the role of worker models and advanced workers from all professions and trades; and should vigorously carry on the campaign of learning to be people of iron will, catch up with the advanced, become masters and first-rate workers; vigorously carry out technological renovations; transform work equipment; overcome technological difficulties; make efforts to increase the economic returns of enterprises; and enhance the vitality of enterprises. The staff and workers of some enterprises that have stopped or nearly suspended production as a result of some temporary difficulties should turn their pressure into a driving force, positively make suggestions and plans, and work together to save and invigorate their enterprises.

They must bring into play the role of the vast numbers of staff and workers as the major force in stabilizing development, and must cultivate the idea of wholeheartedly depending on the working class. Our party is the party of the working class itself, and our country is one led by the working class. The essence and spirit of the mass viewpoint of Marxism and mass line of the party is to wholeheartedly depend on the working class. Only when leaders of governments and party committees at all levels really regard the working class as the important source of strength and as the guarantee for success will vast numbers of staff and workers definitely rally around party organizations; fully support the work of governments at all levels; and be consciously a master in sharing the worries and difficulties of the country.

Workers' unions are the bridge linking the party and staff and workers, and are the strong social support of the government. Workers' unions at all levels must make it their important task to implement the spirit of the Third Meeting of the Seventh NPC, and should mobilize vast numbers of staff and workers to make a contribution to the stability of the overall situation and to economic development.

Li Ximing Calls for Better Quality of Cadres

*HK2604124790 Beijing RENMIN RIBAO in Chinese
13 Apr 90 p 3*

[Report by XINHUA reporter Huang Zhimin (7806 2535 3046) and staff reporter Yan Shigui (7346 0013 6311): "Li Ximing Urges Beijing's Cadres To Be Honest in Performing Official Duties and Establish Closer Ties With the People"]

[Text] Beijing, 12 Apr (RENMIN RIBAO)—Li Ximing, Member of the Political Bureau of the CPC Central Committee and Secretary of the CPC Beijing Municipal Committee, stressed at the Ninth Plenary Session of the Sixth CPC Beijing Municipal Committee, that leading cadres at all levels should be able to stand the trial of

office and the reform and opening up, carry on and develop the flesh-and-blood ties between the party and the people, and help push forward the four modernizations.

Li said, the party-people ties are generally good in Beijing Municipality, but some serious problems do exist, which are prominent in the following respects: Some leading cadres have a weak sense of serving the people; some seek private gains for themselves or for their offspring, relatives, or factions with the powers they are vested with by the people, ignoring policies and regulations; some fail to give guidance on work according to reality, practicing fraud and holding back unpleasant information; and a small number of them are guilty of corruption. These problems have severely undermined the party's prestige among the people. If we are muddle-headed and let them develop, we will face the threat of self-destruction.

He held that in order to stay in an invincible position, it is vital for us to consistently and unremittingly strengthen the building of an honest and clean government, make efforts to clear away existing corruption in the party, carry forward socialist democracy, truly acknowledge the master's status of the people, and become one with the broad masses in thoughts and feelings.

Li proposed that the work of strengthening honest and clean conduct in government organs should be continued, the obtained achievements consolidated, unsettled problems settled in good time, and companies further screened and rectified. Further vigorous measures should be taken to put an end to the practice of eating and drinking extravagantly and giving dinners or sending gifts. A strict control should be placed on the visits to other countries by leading cadres. Conscientious efforts should be made to check some leading cadres' practice of occupying more housing space than they are entitled to, having their houses fitted up above the accepted standard at public expense, or having private houses built in violation of the law and discipline, and they should be stripped of such privileges. It is necessary to thoroughly investigate cases of seeking illegitimate gains by bartering money with power and cases of serious bureaucracy and dereliction of duty that cause great losses to the country and the people. Verdicts on cases that have evoked strong public responses should be made public.

Li also stressed that various supervision systems should be held on to and improved, so that leading cadres at all levels are truly subject to the supervision in and outside the party, from above and from below. In the meantime, support should be given to the press and mass media in performing their duties so as to give play to their role of supervision.

Tian Jiyun Urges Readiness Against Floods

OW2704010090 Beijing XINHUA Domestic Service
in Chinese 0848 GMT 21 Apr 90

[By reporter Zhang Jianjun (1728 1696 6511)]

[Text] Beijing, 21 Apr (XINHUA)—Because of abnormal weather conditions and excessive rain this year, Tian Jiyun, vice premier and head of the State Flood Control Headquarters [SFCH], said today that, no matter how the weather changes, we must be prepared to prevent serious floods and drought. He said: We must take precautionary measures against floods and drought and never depend on luck or lower our guard.

At this year's first SFCH meeting, which Vice Premier Tian chaired, Yang Zhenhuai, minister of water resources, made a report on this year's flood prevention readiness; and Ma Henian [7456 7729 1628], deputy director of the State Meteorological Administration, made a forecast about the change in weather conditions.

Vice Premier Tian Jiyun pointed out at the meeting that readiness against floods and drought and making sure that no serious problems occur are important for reaping bumper crops, enhancing economic retrenchment, and achieving greater political, economic, and social stability in China.

Urging all localities to continue to uphold the system of assigning responsibilities of preventing floods, Tian Jiyun said: After they assume office, new governors, mayors, commissioners, and magistrates should make an effort to become familiar with the situation and take up the great responsibility of preventing floods and drought. Flood control offices should be established or reinforced.

Tian Jiyun continued: Efforts should be made to publicize and implement the "Water Law" and "Regulations Governing the Administration of Rivers," and all work must be handled according to law. Our problem today is not that we have no laws to follow, but that we do not follow the laws nor enforce them strictly. In recent years, most places have made significant headway in removing obstacles blocking rivers, but some places have yet to achieve any progress. This being the case, unrelenting efforts must be made to enforce the project with the help of the law.

On working in unity to control water problems, Tian Jiyun said: We must educate the vast number of cadres and people to take the interest of the whole into account and work together to deal with water problems. The State Council's "Plan for Preventing Disastrous Floods in the Huang He, Chang Jiang, Huai He, and Yongding He" was drawn up with overall interests in mind, and all relevant provinces and cities must firmly implement this plan. We must investigate the responsibilities of the principal leaders should they refuse to implement the plan and cause serious damage.

In conclusion, Vice Premier Tian Jiyun urged all localities and departments to check flood prevention facilities

and implement flood prevention measures. He said: Immediate action must be taken to shore up the vulnerable sections of dikes, embankments, dams, and water-gates and effective plans and measures should be drawn up to make sure that large rivers cause no flooding, large and medium dams do not collapse, and no accidents occur in large and medium cities.

Eugenic Law Drafted To Control 'Inferior' Births

HK2704024890 Beijing CHINA DAILY in English
27 Apr 90 p 3

[By staff reporter Chang Hong]

[Text] The drafting of a eugenic law for China is "approaching maturity," a Chinese law researcher familiar with the writing of the law has said.

"The requirements and conditions to write and enact such a law have been basically satisfied," the researcher Chen Mingxia on Wednesday told an international legal conference meeting in Beijing.

China officially started to write the law four years ago with the establishment of a drafting group and a specialists group. It is aimed at holding the births of inferior and abnormal children to a minimum, and protecting the health of mothers and children.

Chen, a research fellow with the Institute of Law under the Chinese Academy of Social Science, who works with the specialists group, said the draft law has been revised for several times.

"We think that the Chinese Eugenic Law should include not only eugenics but also health protection," said Chen at a panel session of the on-going 14th Conference on the Law of the World.

"The law should reiterate the stipulations in the Marriage Law that physical examinations are needed before contracting a marriage and re-define more specifically what is meant by the standard 'any diseases regarded by medical science as rendering a person unfit for marriage.'"

"In our opinion, those who are suffering from hereditary diseases or serious intelligence deficiencies as defined by law, could get the certificate of qualification for marriage physical examinations only if they underwent the sterilization operation or took contraception measures with long-effect," said Chen.

She indicated that the Chinese eugenic law might not include any stipulation concerning artificial child-bearing.

Several local authorities in China have laws and legal regulations relating to eugenics, including the one enacted in the northwestern Gansu Province in 1988 barring mentally retarded persons from getting married before undergoing sterilization operations.

Both the government and medical authorities are in favour of a national law on eugenics.

Five million deformed Chinese with defective intelligence are congenital. China has 50 million physically and mentally retarded people.

Chen said that the changing public opinions on child-bearing, the implementation of the family planning policies, a good network of health protection for women and children and well-trained medical workers have laid down a good foundation for the eugenic law.

Book Published on Deng's Views on Army Building

OW2604110790 Beijing XINHUA Domestic Service
in Chinese 0428 GMT 17 Apr 90

[Text] Beijing, 17 Apr (XINHUA)—"Study of Deng Xiaoping's Thoughts on Army Building During the New Period" has been published by the Liberation Army Publishing House.

This book written by Yang Chunzhang on Deng Xiaoping's thoughts regarding army building in the new period has systematically elucidated Comrade Deng Xiaoping's advocacy and development of Mao Zedong's thought and his theories on army building. The whole book is composed of five parts and 16 chapters with a total wordage of 300,000 words. The general thesis dwells upon the meaning of army building in the new period, national conditions, the world situation, the general principle and targets, and the question of reform. The other four theses delve into the training of "men" including political work, military training, and education on administration; arms, equipment, and logistic support; the military system and establishment; theories in military science and a theory on how to run the army.

Science & Technology

Space Technology Services for Foreign Clients

HK2704082590 Beijing ZHONGGUO XINWEN
SHE in Chinese 1246 GMT

[Report: "China Will Provide More Space Technological Services to Foreign Clients"]

[Text] Beijing, 26 Apr (ZHONGGUO XINWEN SHE)—After China introduces its satellite launching services onto the international market, in order to satisfy various needs of international clients for space technologies and products, China's Changcheng Industrial Corporation will provide more space services for them.

This was learned at a symposium on "astronautics technology and economic development" here.

After satisfying the domestic demand, China's space industry will provide some new service items for international clients and will put forward some new cooperation projects. This will include the following projects:

- Projects related to retrievable satellites. For example, China will provide the facilities for the microgravity experiments on satellites and the photographs taken by satellites for mapping purposes, and will provide the platforms for retrieving satellites or the service for retrieving satellites.
- Projects related to communications and broadcasting satellites. In order to meet the needs of the developing countries and small or medium-sized countries for domestic and regional communications, China will provide the services of developing communications satellites on the frequency section of C-band or the mixed frequency section of C-band and Ku band. China's Changcheng Industrial Corporation is willing to cooperate with relevant foreign companies in operating regional communications and broadcasting satellites.
- Projects related to the ground facilities for satellite operation. This includes the ground control and management systems and other ground application systems for various kinds of satellites, such as the ground (or ship-based) nephogram reception stations of the meteorological satellites; the ground transmission stations of the communications satellites; the ground television transmission stations; and the ground reception stations of the resources satellites.
- China will also seek various forms for bilateral or multilateral cooperation, joint research and development, and joint launching of applied satellites for common needs, and will be jointly responsible for the operation of satellites and for promoting the marketing of satellite services.

The new services put forward by China's Changcheng Industrial Corporation showed that China's space technology would be used to satisfy the needs of the international clients in more flexible forms, and that China would assume a new and more positive posture in playing a part in the international aerospace market.

National Laboratories Promote Basic Research

OW2604012590 Beijing XINHUA in English
1200 GMT 25 Apr 90

[Text] Beijing, April 25 (XINHUA)—China has established 71 major national laboratories since 1984, of which 34 have opened their facilities to research by scholars at home and abroad, an official from the State Planning Commission said here today.

The laboratories have achieved many high-level results in basic research, Qin Shengtao told the second national conference on major national laboratories.

Since 1984, Qin said, the state has invested a total of 500 million yuan in the construction of these laboratories. It has also provided a total of 120 million U.S. dollars from the World Bank and other foreign sources.

The 3,000 researchers in these national laboratories are now conducting research in various fields of the basic sciences and high technology, Qin said.

Over 50 research results of these national laboratories have won national awards, and some of them have aroused the interest of foreign scientists, he added.

Also, the laboratories have recruited and trained a large number of young scientists for the state, Qin said. In recent years, over 700 researchers at the laboratories have earned doctor's degrees and about 3,000 have earned master's degrees.

About 200 foreign scholars have done research in the laboratories.

A co-operative and flexible management system has been formed in these laboratories, promoting both domestic and the international academic exchanges, the official said.

According to him, the State Planning Commission and related state departments are now preparing for the construction of another 75 national laboratories which will focus on basic research in the field of engineering, as well as high technology.

Military

Air Force Unit Strengthens Grass-Roots Ties

HK2704085190 Beijing RENMIN RIBAO in Chinese
17 Apr 90 p 3

[Report by Liao Hong (1675 5725) and Wang Jialin (3769 3946 2651): "CPC Committee of the Air Force Unit of the South China Sea Fleet Makes Efforts To Strengthen Building of Grass-Roots Units"]

[Text] The air force unit of the South China Sea Fleet stationed on Hainan Island, the largest special economic zone in our country, maintained the fine tradition of party cadres keeping close ties with the masses and showing care for the political life and the living conditions of cadres and soldiers. Great efforts were made to strengthen the construction of grass-roots units. This ensured a high degree of stability of the entire unit. Its military training has reached the highest all-time level, and its fighting capacity was raised markedly.

The party committee in this unit was soberly aware that to keep the morale of the troops stable, it is necessary first to keep the thinking of the soldiers stable. They consistently took positive education as the main form in connection with the characteristics of reform and opening up in Hainan. Through inviting local civilians to give lectures to the troops and arranging visits by the troops to local civilian units, they were aware of the huge changes brought about by the policy of reform and opening up to the special economic zone.

Because the "open style" of education was highly pertinent to the thinking of the soldiers, such activities were

generally helpful to officers and soldiers and increased their firm determination to defend socialism.

When conducting ideological education, the party committee in this unit also paid attention to improving the working and living conditions of the grass-roots units. This unit increased the production of vegetables and raised the self-sufficient rate from 30 percent to 65 percent. Even though there was a shortage of funds, the unit still managed to install air-conditioning facilities for pilots who had to shoulder intense combat flying tasks. However, the unit leaders only used electric fans in their offices and dormitories. After this year's Spring Festival, four members of the party committee standing committee in this unit led 46 cadres to visit more than 20 companies stationed in remote mountainous areas or islands. They helped solve more than 200 problems on the spot in the work of these grass-roots units.

'Good Eighth Company' Honored in New Publication

OW2604060990 Beijing XINHUA in English
1426 GMT 23 Apr 90

[Text] Beijing, April 23 (XINHUA)—A poem by late Chairman Mao Zedong and inscriptions by other Chinese leaders in honor of the People's Liberation Army's (PLA) "Good Eighth Company on the Nanjing Road" have been published for the first time.

The publication follows a decision by the General Political Department of the PLA to mark the 27th anniversary of the honoring of the company, which is stationed in Shanghai.

In the 1960s, the company was known nationwide for its fine tradition of arduous struggle.

The inscriptions were originally written by Marshal Zhu De, Deng Xiaoping, and Chen Yun.

Economic & Agricultural

Measures To Control Inflation, Prices Outlined

HK2303032490 Beijing JINGJI YANJIU in Chinese
No 12, 20 Dec 89 pp 3-6

[Article by Zhang Zhuoyuan (1728 0587 0337) of the Institute of Finance, Trade, Materials and Economics under the Chinese Academy of Social Sciences: "Continue To Control Inflation, Wait for an Opportunity To Improve Price Structure"]

[Text] In his speech at a mass rally marking the 40th anniversary of the founding of the PRC, Comrade Jiang Zemin stated clearly that from now on it is imperative to implement the policy to further regulate, consolidate, and deepen reforms. The core of the task of regulating and consolidating reforms is to control inflation and restrain the annual rate of price increase from reaching double digits. This is quite an arduous task which can only be fulfilled by making gigantic efforts and paying a high price.

I. Achieving Initial Results in the Work of Controlling Inflation

Since the adopting of the guiding principles for regulating economic environment and consolidating economic order about a year ago, at the Third Plenary Session of the 13th CPC Central Committee in September 1988, our party and government have adopted a series of measures, such as promoting an economic austerity program, restraining the excessive total social demand, and controlling the total credit volume and the money supply. As a result, China has succeeded in relatively quickly inhibiting a sharp inflationary upturn, achieving noted results in this regard. To be specific, the successes are due to the roles played by factors in three major aspects.

First, freezing prices completely or partially through administrative means. The following are some of these measures: With the exception of those specially approved price increases, all other government-managed prices and service charges are frozen in order to resolutely stabilize the prices of basic daily necessities; ceiling prices are set for those freely traded important production materials not assigned by state plans; local governments at all levels are assigned the tasks of controlling the annual rate of price increases and are not allowed to exceed the set annual rate of price increases; grain, cotton, chemical fertilizers, pesticides, and four types of steel products are classified as government monopolies, with the purpose of preventing arbitrary and indiscriminate price increases; important agricultural products such as silkworm cocoons, tobacco leaves, and tea are purchased and marketed by state commercial agencies only in order to prevent a "war" [da zhan 1129 2069] of panic purchasing as well as price pushing; and some products' markets are closed for a short period of time.

Second, increasing financial subsidies to stabilize the prices of basic daily necessities for residents. During the January-August period this year, the state prices of 40 basic daily necessities and seven important state service charges have been similar to those in December last year. These stable prices and charges are to a great extent maintained through increases in state financial subsidies. State financial subsidies in this regard totaled 31.7 billion yuan in 1988, and such subsidies may reach 40 billion yuan in 1989.

Third, the contradiction between the aggregate social demand and supply has been alleviated to some extent and the inflationary pressure has also been reduced to some extent. It is preliminarily estimated that as a result of some effective measures adopted by our party and government, the total social investment in fixed assets in 1989 showed a decrease of nearly 40 billion yuan as compared with 1988, thus winning an initial success in controlling the momentum of investment expansion. The upward momentum of consumption funds has also been alleviated to a certain extent. Due to the promotion of value-guaranteed fixed deposits lasting three years or

more, and also due to three increases in interest rates since September 1988, China has achieved a remarkable success in encouraging saving. During the January-September period in 1989, people's savings deposits in both urban and rural areas exceeded 100 billion yuan. As a result, the recovery of credit in the banking sector this year has shown an excellent situation for the first time in many years. During the January-September period in 1988, the banknotes issued by Chinese banks exceeded 40 billion yuan; during the January-September period in 1989, Chinese banks did not issue any new banknotes. Last summer, the public showed a strong expectation of inflation and vied with one another in drawing money from banks and in panic purchasing. Things have changed after a year: The public's expectation of inflation has weakened; people are no longer eager to spend their money on buying things, thus creating a slump in the market and a weakening in demand.

Due to the three factors mentioned above, the rate of price increases has been falling month after month since the beginning of this year. As compared with last year, the rate of retail price increases during the January-June period this year was 25 percent; it fell to 15 percent in August, and it fell further to 12 percent in September. It is estimated that the increase rate of the country's general retail price index of commodities in 1989 will be about 20 percent. Of this 20 percent increase, less than half can be attributed to new price increases in 1989, and more than half can be attributed to the influence of price increases in 1988.

II. Bringing About Stable Economic Development Will Require Making a Sustained Effort To Control Inflation

The present problem is this: While achieving certain successes in controlling inflation, our industrial production has slowed down. Last September this year, China's total industrial output value increased by only 0.9 percent as compared with the same period last year; the country's total industrial output value showed a negative growth rate last October. A downturn in the industrial production growth rate not only affects financial revenue (our experience shows that when the growth rate of China's industrial production fails to reach five percent, the country's fiscal balance will not be maintained and there will be a decline in the economy) but also brings about an increase in the number of people awaiting employment or the number of unemployed people. Under these circumstances, some comrades have misgivings about the suitability and possibility of upholding the austerity program and of making a sustained effort to control inflation. Regarding this question, Comrade Jiang Zemin has given a definite answer in his speech: At present, we must continue to make unremitting efforts to implement the policy to regulate, consolidate, and deepen reforms, and strive by every means to succeed in three years or a little bit more time in thoroughly resolving the contradiction characterized by aggregate social demand exceeding aggregate social supply, in gradually eliminating inflation, and in extricating our national economy from the predicament. In my view,

this is a correct strategic policy decision; it is also the one and only available way to enable our national economy to achieve once again a sustained, stable, and coordinated development.

Whether it is necessary to continue regulating and consolidating reforms as well as controlling inflation is a matter of choice in the field of making macroeconomic policies. It is common knowledge that determining the proper target of a macroeconomic policy has always been a debatable issue among economists. The point at issue is this: Should priority be given to stability or growth? Should stability be subordinated to growth or vice versa? Those economists who advocate that stability be subordinated to growth call for implementing an inflationary policy to prop up a speedy economic growth; some of them explicitly call for stopping to maintain stable prices. However, those economists who advocate that growth be subordinated to stability call for making progress through stability and achieving economic growth on the premise of maintaining economic stability. In addition, they are against the implementation of an inflationary policy, call for upholding the policy to maintain stable prices, and maintain that price hikes be strictly controlled within the rational range of structural price changes. Overall, China actually implemented from the second half of 1984 to September 1988 the macroeconomic policy advocated by the aforementioned first group of economists, thus leading to the emergence of a serious economic crisis in 1988. This shows that the macroeconomic policy giving priority to growth has failed after being put into practice over the past few years; this policy requires major changes. Practice in construction over the past few decades since the founding of the PRC has repeatedly shown that the better ways to develop our national economy are as follows: giving priority to economic stability; overcoming the practice of being overanxious for quick results; seeking development through the maintenance of stability; and avoiding big ups and downs.

China's experience gained over the past few years shows that economic instability will inevitably worsen economic structures. China's implementation of an inflationary policy a few years ago not only brought about an overheated economy and an excessive industrial growth rate but also worsened economic structures and lowered the benefits that could have been generated by the allocation of resources. In addition, both agriculture and basic industry showed a slow development, the processing industry showed an excessively quick development, and industrial structures further tilted to inferior products, thus further narrowing the "bottleneck." Central departments originally planned to issue more bills for accumulating funds and strengthening the output of undersupplied products. However, due to the downturn in the central financial revenues, caused by the practice of transferring power and conceding profit to lower levels over the years, the aforementioned efforts produced very little effect and failed to put an end once and for all to the worsening of economic structures.

Economic instability inevitably brings about and aggravates inequality in distribution. Excessive economic fluctuations and serious inflation can only aggravate chaos within the channels of circulation and stimulate people to engage in speculation and profiteering, hoarding, and cornering as well as seeking and scrambling for exorbitant profits through commodity circulation. As a result, honest workers and honest business operators suffer, while those engaged in cheating the masses and collectives make a fortune, thus enlarging the irrational gap between different income groups. According to the calculations made by some people, some 40-60 billion yuan have been swallowed up each year for the past two years by a small number of people engaged in reselling at a profit through the channels of commodity circulation, thus turning them into upstarts. At the same time, to some staff members and workers who rely only on fixed wages, their actual living standards showed a fall of over 20 percent in 1987 and a fall of over 30 percent in 1988.

In the short term, economic instability seems to bring about a fast growth rate. However, due to the fact that this short-term fast growth rate will inevitably bring about imbalance and recession and will also increase economic fluctuations, such a fast growth rate is detrimental to long-term economic growth and is also harmful to macroeconomic benefits. It is thus clear that propping up a fast economic growth rate through inflation is a typical short-term behavior in economic guidance.

Our practice and experience have made clear to all us that only through economic stability can we achieve economic growth without a hitch. And coordinated economic development is a prerequisite for economic stability. In particular, the coordination between total supply and total demand as well as the elimination of financial deficits are the most important prerequisites for economic stability. An overheated economy and excessively fast industrial growth rate will definitely disrupt economic balance and bring about dislocations in the proportions, as well as inflation. An essential sign of stable economic development is the maintenance of a proper speed of economic development. As far as China is concerned, primarily this means the maintenance of a proper speed of industrial development. For example, the country's annual industrial growth rate should be about eight percent and should not exceed 10 percent. To achieve stable economic development, China must also ensure that prices remain basically stable and that its annual price increase rate be kept at about three percent; generally speaking, China's annual price increase rate must not be allowed to reach five percent, which is a general standard in many countries of the world.

Having a stable development of the national economy is the foundation of our social stability as well as the guarantee of the country's long-term stability and security. The key to achieving a sustained, stable, and coordinated development of our national economy lies in

stability. Economic stability means relatively coordinated economic relations and ensures a sustained economic development, thus avoiding sudden fluctuations. From a long-term point of view, having a stable economic development is most advantageous to the promotion of economic growth; although the growth rate of a stable economic development may seem to be not fast enough in the short term, such a rate may actually be relatively fast in the long term and may also produce relatively good macroeconomic results in the long term.

Our practice in promoting socialist construction over the past 40 years and particularly over the past few years has enabled the whole party and the whole country to be relatively unanimous in their understanding of the importance and reasonableness of promoting a stable economic development. This means that at present we must continue to uphold the austerity policy, continue to control inflation, regard the slowing down of the growth rate of industrial development as the necessary price for controlling inflation, and doggedly endure the hardship caused by the slowing down so as to further lower the rate of price increases. At the same time, we must pay close attention to rectifying the chaotic state of intermediate links and stop up various loopholes that cause the loss of revenue, so as to make up for the loss of revenue caused by the downturn in the speed of industrial development. To support the readjustment and improvement of our economic structures, we should expand the underdeveloped industries, cut down on capital construction investments, and improve the economic results of the allocation of resources. While taking further steps to control inflation, if we can repeat the recent achievements in strengthening and developing agricultural production, in bringing about a relatively fast development of both energy production and the production of raw and processed materials as well as in restraining the blind development of processing industries, we may be able to gradually restore the balance of aggregate production, improve structures, and enable our national economy to progressively get onto the track of a sound cycle of economic activities.

Our current work of controlling and rectifying inflation is primarily aimed at gradually lowering the inflation rate and progressively lowering the national retail price increase rate to 10 percent. These are, in my opinion, relatively realistic targets. Of this 10 percent retail price increase rate, only five percent or less than five percent should be attributed to the supraeconomic issue of banknotes, while the other five percent or just a little bit more than five percent should be attributed to the readjustment of some irrational parts of price mechanism.

III. Efforts To Improve Price Mechanism Must Not Be Abandoned

The emergence of intermediate inflation in the 1987-1988 period in China caused the resurgence, to a certain

extent, of irrational price relations, thus partially offsetting the beneficial results produced by a rational readjustment of price mechanisms over the previous years. As a result, the prices of agricultural, energy, and basic industrial products, which were originally on the low side, have been further lowered; the contractual purchasing price of grain has become one of the lowest within the pricing structure, thus lowering the comparative profit that can be gained from growing grain; the whole coal industry has suffered losses due to the coal price being on the low side; the per-ton allocation price of crude oil has not been enough to cover the per-ton expenses in exploration; and the railway passenger-cargo transport charges have also been clearly on the low side. Therefore, with the existence of inflation and the inability to properly regulate price relations, the price mechanism can only deteriorate. In particular, the current existence of a two-tier price system in China means that the prices of a number of products, mainly manufactured goods, are either completely or partially unrestricted; and the prices of a number of other products, mainly the most basic means of production and livelihood, are still controlled by the state. As a result, when there is inflation, the unrestricted prices rise sharply and the controlled prices actually fall, thus creating new twists of price relations or further twisting the existing price relations. Therefore, to continue the promotion of price reform and to further improve price mechanism, it is necessary to control inflation.

Then, while controlling inflation and particularly after successfully controlling inflation, will it be possible for us to readjust and improve price mechanisms within a limited framework and on a small scale so as to solve a small number of glaring problems in irrational prices and to support the readjustment of our industrial structures? In my opinion, it is possible to do so. This year's practice in China shows that this can be done. In 1989, to promote agricultural production and particularly the output of grain and cotton, the state properly raised the contractual purchasing prices of grain and cotton despite its straitened financial circumstances; when coal production showed a downturn at the beginning of this year, the state promptly raised the coal producer price, thus promoting a steady increase in coal production. A relatively conspicuous price readjustment in 1989 was made in September when train, airline, and shipping fares were raised by a big margin, totaling more than 8 billion yuan a year, which far exceeds both the 1979's price readjustment of eight major types of nonstaple food (averaging more than a 30-percent increase) and the total amount of the comprehensive price increase of textile products in 1983. However, this big price rise involving a very large amount of money has not created any social shocks nor has it produced any chain reactions. This shows that the timing of the fare readjustment was very opportune and a relatively great success. This tells us that after achieving an initial success in controlling inflation, we should be able to start resolving problems concerning a few conspicuously irrational prices. Of course, our targets should not be set too high; we can only improve

partially and in a limited way our price mechanism. Big steps to promote price reform and improve price mechanisms can be taken only after inflation has been basically eliminated.

This thinking, in my opinion, means that with the further implementation of the guiding principles for regulating the economic environment and consolidating economic order and that with the further promotion of inflation control, we can consider further raising the contractual purchasing prices of grain, cotton, and oil by a certain margin, by stages and in groups, so as to change the state of production suffering from fluctuations for many years running; in addition, we can consider raising the prices of energy resources such as coal and crude oil as well as the prices of a number of important raw and processed materials so as to make a sustained effort to improve the price mechanism. At the same time, we should begin to consider gradually eliminating the "double-track system" regarding the prices of production materials. For example, a unified planned price of the coal earmarked for unified distribution should be set and put into operation in due course. Proportionally speaking, over 80 percent of some products, including caustic soda, that are on sale are sold at different market prices. Unified market prices of such products should be set and put into operation in due course. To play a supporting role in this regard, market-oriented reforms should be further expanded from now on. Such reforms should be closely integrated with both the task of strengthening and improving macroadjustment and control and the task of strengthening planning guidance. For this reason we should gradually defrost those prices that were rigidly frozen during the previous period. In particular, we should lift price restrictions on those nonbasic consumer goods that have either achieved an equilibrium of supply and demand or have shown a strong tendency toward elastic supply. In addition, we must reopen various closed markets (such as the rice market), further open up and develop various markets including the production materials market, check up on monopolies, only retain monopolies over appropriate commodities, such as famous brands of wine and cigarettes, and continue to oppose regional blockades and departmental monopolies.

Article Examines Unfair Income Distribution

HK2303032590 Beijing JINGJI YANJIU in Chinese
No 12, 20 Dec 89 pp 6-10

[Article by Zhao Renwei (6392 0086 0251) of the Institute of Economics under the Chinese Academy of Social Sciences: "Some Views on the Question of Unfair Income Distribution at Present"]

[Text] In recent years, the question of unfair income distribution has become a focal point of concern to the whole nation from the leadership to the masses. In his speech at the meeting marking the 40th anniversary of the founding of the PRC, Comrade Jiang Zemin treated the question of how to prevent and check the unfairness

in social distribution as an important issue. The following are my views on as well as my understanding of this question.

I. The Coexistence of and the Contrast Between Two Phenomena Constitute the Glaring Manifestations of Unfair Distribution

What is unfair income distribution? This question relates to the use of certain criteria to judge what is fair and what is unfair. If we uphold the principle of distribution according to work as the basic principle or standard for conducting income distribution under a socialist system, we can see that the two phenomena, namely, egalitarianism and an excessive disparity between incomes, not only run counter to this principle but are also manifestations of unfair distribution. However, if we just regard an excessive disparity between incomes as unfair distribution, we are apt to consciously or unconsciously regard egalitarianism and not the principle of distribution according to work as the criterion to judge what is fair and what is unfair, thus passing a partial judgment on the present problem of unfair income distribution in China. In my opinion, a relatively comprehensive and realistic judgement should be this: While the chronic malpractice of egalitarianism in personal income distribution has not yet been overcome, a small number of people's incomes and the profits from a small number of economic operations are much too high. Just as Comrade Jiang Zemin has said: "On the one hand, egalitarianism in distribution has not yet been completely overcome among wage earners in enterprises, public undertakings, and party and government departments and has even become worse in some localities, departments, and economic fields. On the other hand, new and unfairly wide gaps in social distribution have also emerged." This means that while egalitarianism has been the cause of the long-standing unfairness in social distribution, new unfairness in social distribution has been created by the excessive disparity between incomes. At present, the phenomena of unfairly wide gaps in incomes have evoked relatively powerful reactions among the public. In fact, the two types of unfairness are interrelated. The powerful reactions among the public were evoked precisely because the two types of unfairness are completely different phenomena, thus creating a sharp and striking contrast.

There are all kinds of manifestations of excessively high incomes created by a small number of people engaged in a few economic operations. According to incomplete statistics compiled by some cities, the incomes of some self-employed industrial and commercial operators are four to six times higher than those received by the staff members and workers in state-run enterprises and institutions; the incomes of private enterprise owners are generally much higher than those received by self-employed business operators; and there are very big gaps between the incomes of employers and the incomes of hired laborers. According to an investigation made by Beijing Municipality, the incomes of employers are 10 times higher than those received by their hired laborers.

The incomes of staff members and workers in a number of joint ventures also far exceed those received by their counterparts in state-run enterprises. The incomes of a number of lease holders are several times higher, dozen times higher, and even 100 times higher than the incomes of ordinary staff members and workers. There are also problems regarding excessively high incomes received by some staff members and workers engaged in secondary jobs, as well as by some retired personnel taking up new jobs. The masses are very much resentful of a small number of people reaping staggering profits through speculation and reselling at a profit, and are particularly resentful of those people who abuse their power to go in for speculative trade and reaping staggering profits.

The excessively high incomes enjoyed by a small number of people have indeed become a pressing economic problem as well as a social and political problem. However, we must also see that egalitarianism is still a problem in China's income distribution that is not to be overlooked. Since the promotion of reforms, although the Gini coefficient figure regarding China's rural areas has risen slightly, the rural income distribution has still been in a state of relative balance and has not yet reached a relatively rational state. (Footnote 1) (In 1986, China's State Statistics Bureau designated a four-level Gini coefficient figure: A coefficient figure of under 0.2 is a high-level balance, a coefficient figure of between 0.2 and 0.3 is a relative balance, a coefficient figure of between 0.3 and 0.4 is a relatively rational level, and a coefficient figure of above 0.4 signifies an excessive gap. And the Gini coefficient figure regarding China's rural areas is still moving between 0.2 and 0.3.) China's urban personal incomes tend to further even up. According to statistics, the Gini coefficient figure regarding China's urban areas has fallen to some extent on the basis of 1977's coefficient figure of 0.185. (Footnote 2) (See Li Chengrui's article "A Statistical Report on the Influence Exerted by China's Economic Policy on the Personal Incomes and the Condition of Consumption Over the Past Few Years," carried by TONGJI YANJIU [statistic study] No. 1, 1986.) The comprehensive wage reform in 1985 has further narrowed wage disparities for urban staff members and workers, thus intensifying the tendency toward egalitarianism. According to the State Statistics Bureau, following the implementation of structural wages in 1985, the wage disparity between low- and senior-level personnel has diminished from 1:3 to 1:2. It is therefore quite reasonable for some people to describe this development as new egalitarianism.

Subsidies that are given as compensation for the inflation-related loss of value of real income constitute a more glaring tendency toward egalitarianism. Such subsidies are distributed according to the number of people, a method that was used in both early 1980's and mid 1980's. This method of giving an absolutely uniform amount of subsidies means that the real income differentials among staff members and workers are even smaller than the wage differentials among staff members and workers.

People have been trying to analyze the aforementioned two phenomena in order to make some generalizations. According to some comrades, the problem of egalitarianism exists in the field that has distribution according to work as its main distribution form, while the problem of excessively huge differences in income exists in the field that does not have distribution according to work as its main distribution form. I think that this generalization is not very precise. There should be no egalitarianism in the field that has distribution according to work as its main distribution form. One can only say that the tendency toward egalitarianism has actually emerged in the field where attempts were made to carry out distribution according to work. Leaving aside some special cases, I believe that on the basis of the overall effects of the aforementioned two phenomena, we can make this generalization: in the sphere of income distribution directly controlled by the state, egalitarianism is the main tendency, old-fashioned egalitarianism is not overdone as yet, and new-style egalitarianism has already emerged; and in the sphere of income distribution not directly controlled by the state, an indirect command system is not effectively established and put into operation as yet, and there is a problem concerning excessively high incomes received by some people engaged in certain economic activities.

It is thus clear that the existing problems and phenomena in the field of personal income distribution in China are extremely complicated and special. They are dissimilar to the typical phenomena of egalitarianism in a traditional socialist economic system and are also different from the phenomena of excessive income disparities in a traditional capitalist economic system. In addition, China's existing problems and phenomena in the field of personal income distribution are far from reaching the goals of the country's strategic plan to promote economic restructuring and development—namely, reasonably spacing out a gap between incomes, raising efficiency, and achieving common prosperity. In my opinion, the coexistence of the old and new egalitarianisms as well as the excessive incomes received by a small number of people engaged in a few economic operations are special phenomena in the process of economic restructuring in China.

II. The Existence of a Dual Economic System and Its Related Frictions Constitute the Primary Soil for Unfair Income Distribution and Are Also the Fundamental Reasons for This Unfairness

Many people have already tried to analyze causes of the aforementioned special phenomena. Some comrades have analyzed the phenomena in four aspects—namely, the structural factor, the price factor, the management factor, and the tax factor. (Footnote 3) (See Xin Changxing's article "What Caused Unfair Income Distribution?" carried by GONGREN RIBAO on 4 August 1989.) I myself have discussed the four causes of the phenomena: a dual economic system, unequal opportunity, inordinate change, and inflation. (Footnote 4) (See my article "On the Dialogue Regarding the Issue of

Distribution" published by Shanghai's WENHUI BAO on 9 June 1988.) Of course, there are other factors in this regard.

However, as factors vary in strength and as factors do not function in isolation but are intertwined, it is necessary for us to study the major or fundamental factors for the purpose of finding out a central key to such intricate phenomena and related causes. Here I would like to focus on discussing the existence of a dual economic system and its related frictions being the fundamental reasons or the primary soil for the aforementioned phenomena.

For a number of years, China's economic reform has been aimed at turning the old economic system characterized by a direct control on the basis of administrative measures into a new system characterized by indirect control on the basis of market parameters. However, turning an old system into a new one cannot be completed in a single day. In fact, China's economic reform has brought about the existence of a dual system. Our production implements a dual system, meaning that there are production projects inside the state plans as well as those outside the state plans (the plans referred to are mandatory plans). Our distribution of goods and materials also implements a dual system: The distribution of some goods and materials is guaranteed by state plans while some other goods and materials are open to free sales and purchases. In addition, there are dual prices and even multilevel prices: Planned prices are relatively low, and the prices that are not regulated by state plans are relatively high, thus reflecting in varying degrees the relevant market prices (including floating prices, negotiated prices, and prices set through free bargaining). The aforementioned distribution of goods and materials refers to the distribution of material resources only, thus excluding the distribution of human resources; and the aforementioned prices refer to the prices of products only, thus excluding wages and other remunerations. If we widen our field of vision a bit, we can see that both the distribution of human resources and the personal income distribution implement a dual system that comprises planned portions and those outside the state plans, thus enabling incomes from economic activities outside the state plans to be evidently higher than those incomes from planned economic activities. For example, two persons, such as a married couple or two sisters having the same kind of working capability but working in different fields, one in a state-run enterprise or a state organ and the other in a joint venture or a private trade, the income disparities between such a couple or between such two sisters may range from several to several dozen times. Another example: There is the excessive disparity between a person's income from his primary daytime job in the system of state plans and the same person's income from his secondary nighttime job outside the system of state plans. All these phenomena clearly indicate that a dual economic system exists in the field of personal income distribution. People have complained that "self-employed street peddlers are

the rich people and employees are the poor ones" and that "the remunerations for atom bomb producers are not as good as those for peddlers of eggs boiled with tea." These complaints also reflect the problem concerning a striking contrast between those under the direct control of state plans and those not under the direct control of state plans.

Our reasoning has so far been based on the premise that each of the component parts of the dual system operates according to its own rules without interference from the other side. However, the real economic life is much more complicated. Due to the contradictions and frictions within the dual system, the country's economic life has fallen into a state of multilayered inordinateness and has even fallen into a state of overall inordinateness, thus further complicating the problem of unfair income distribution.

First, in addition to the lack of an effective indirect command system for the economic activities not under the direct control of state plans, such activities have not been carried out in accordance with the market rules for achieving macroeconomic control. This can be described as the first level of inordinateness. (We may draw a lesson from the above: The practice of ignoring the ability to exercise macroeconomic control and regarding the adoption of a laissez-faire attitude as a correct approach to the reforms is an oversimplified and reckless practice, to say the least). This level of inordinateness caused various phenomena, such as the practice of evading taxes and defrauding revenues among self-employed operators and the practice of declaring enterprise bankruptcy every three years and opening another enterprise under a new name for the purpose of winning tax exemption.

Second, as the capability of state plans to directly control planned economic activities has been greatly weakened, it has been impossible to effectively carry out such activities in accordance with the existing rules. This can be described as the second level of inordinateness. People have complained a lot about the aggravation of egalitarianism in recent years. What are the causes of this aggravation? In addition to the egalitarian influences of both the guiding ideology and the traditional concept, the second level of inordinateness is really a cause of this aggravation. Under the situation in which our economic life objectively requires mandatory plans and direct control, it should be possible to maintain the sanctity of mandatory plans as well as the effectiveness of direct control. However, in reality, this kind of sanctity and effectiveness has been greatly weakened over a number of years. The fact is that with the financial resources at the state's disposal being increasingly reduced and that with the proportion of the state enterprises' gross payroll in the consumption funds as a whole has been increasingly reduced, the tendency toward egalitarianism in the field of planned personal income distribution will inevitably be further intensified. In other words, as more

people are sharing a smaller cake, we cannot space out a gap between incomes but can only further reduce such a gap.

Third, I think that a still greater inordinateness or the third level of inordinateness lies in the friction within the dual system. And the two-tier price system is the concentrated expression of the dual system. The difference between two types of prices of the same product (namely the difference between state and market prices) is a huge one. According to the study and estimate made by Comrade Hu Heli, this kind of difference in China in 1988 (the difference, in a broad sense, can be generally termed rent) reached a total of about 356.9 billion yuan. Of this amount, the difference between the state and market prices of commodities under state control accounted for about 150 billion yuan, the difference between the state and market interest rates of national bank loans accounted for about 113,881 million yuan, and the difference between the state and market rates of exchange used for importing commodities accounted for about 93,043 million yuan. According to Comrade Hu's estimate, in addition to the three types of rents mentioned above, miscellaneous rents in China in 1988 totaled about 100 billion yuan (such miscellaneous rents include tax revenue lost, land rent lost, trade rents based on different capital profit rates within various trades, and welfare rents). The total value of the differences between prices, between interests rates, and between exchange rates as well as other miscellaneous rents amounted to more than 400 billion yuan. (Footnote 5) (See Hu Heli's article "An Estimate of China's Rental Value in 1988," carried by JINGJI SHEHUI TIZHI BILIAO, No. 5, 1989). Although we can further discuss the specific method of estimation and the specific rental figures, we can at least affirm the following few points. First, the huge amount of rents is an objective fact. Second, the existence of the dual economic system is the major ground for the formation of the aforementioned huge amount of rents. Third, the existence of this huge amount of rents constitutes the important soil for creating within the commodity circulation channels numerous companies, unchecked activities of seeking rents, the propagation of corrupt and rotten phenomena as well as unfair distribution. Those profiteers that have emerged in society in recent years are a group of people specialized in feeding on the aforementioned rents. Just think: When the lowest per-ton coal price is nearly 20 times cheaper than the highest per-ton price, how terribly enlivened will the profiteers' activities of seeking rents be?! When bureaucratic power is integrated with the activities of seeking rents, "official profiteering" will be formed. How can the masses fail to be indignant at the official profiteers' practice of abusing their power to reap staggering profits through writing a brief note or getting hold of a permit?! Under the situation in which it has been difficult to increase incomes within the system of state plans or in which real incomes have fallen due to inflation, some units and individuals have tried in every possible way to get supplementary earnings from the activities of seeking rents, thus creating the "grey

incomes" on top of wages, bonuses, and normal business earnings. The formation and distribution of grey incomes are extremely irregular and are very much devoid of transparency, thus creating huge income disparities that have nothing to do with labor contributions between departments, between units, between areas, and between individuals. As a result, people not only compete with one another for grey incomes but also complain about unfairness caused by such incomes.

In short, I think that the dual economic system and the frictions within it have brought about inordinateness at all levels and even an overall inordinateness, and that they are the principal soil for or the fundamental cause of the present unfair income distribution.

III. The Effective Way To Resolve the Problem of Unfair Income Distribution Is To Tackle It in a Comprehensive Way

Due to the complex nature of the problem of unfair income distribution and also due to the lessons drawn over the previous years from the economic policy-making behavior characterized by adopting short-term, band-aid measures, I believe that the one and only way to resolve the problem of unfair income distribution is to tackle it in a comprehensive way.

First, temporary solutions to the problem must be integrated with the relevant fundamental solutions. Judging from a long-term view, the aforementioned phenomena of unfair distribution can be thoroughly eliminated only after deepening reforms, overcoming all kinds of inordinateness during the process of institutional change, and getting the whole economic system moving in a new orbit. Just as in solving various economic problems, we must not be overanxious for quick results in resolving the problem of unfair distribution but must clearly understand that only by upholding the deepening of reforms can we get at the root of the problem. However, this does not mean that we should attempt nothing and accomplish nothing at present. In fact, we can surely achieve relative order with inordinateness as long as we suit the remedy to the case. For example, to overcome the overheated economy and to alleviate the contradiction between the total supply and the total demand, we can reduce the difference between the prices of a same product; when conditions permit, we can properly raise the planned prices of some products and can also reduce the difference between the prices of a same product; and adopting various measures to inhibit inflation can not only lessen the inflation-related impact on the personal income redistribution but can also reduce the difference between the prices of a same product. All these measures to reduce the difference between the prices of a same product will lower the total amount of rents and inhibit various activities of seeking rents, thus alleviating the problem of unfair income distribution. Regarding economic activities both inside and outside the state plans, we can certainly alleviate in a big way the unfair distribution caused by chaotic management and the loss of control as long as we adopt various measures to

strengthen macroeconomic management and control. Effective measures in this regard include the strengthening of various tax systems and the establishment of a system for personal income declaration. Regarding illegal incomes, we should strictly ban them through the strengthening of the legal system.

Second, judging from another angle, we can see that in resolving the problem of unfair distribution, we must not just focus on distribution but must integrate the distribution with the overall problem. The whole national economy is an organic whole; all links and aspects of the whole national economy are interconnected and condition one another. Therefore, only by having the whole in mind can we successfully resolve the problem of unfair distribution. For example, the aforementioned measures to alleviate the contradiction between the total supply and the total demand and to inhibit inflation are aimed at tackling the overall problem. Moreover, regarding distribution itself, we must not be confined to cutting and distributing the existing "cake" but must be aimed at making sure that today's distribution will help make a bigger "cake" in the days to come. In other words, it is imperative to correctly handle the relations between fairness and efficiency. In addition, when the cake is not big enough for distribution purpose, there must be no attempt to distribute the machinery and facilities for making "cakes" nor must there be any attempts to simply stop renewing such machinery and facilities. This means that we must correctly handle the relations between consumption and accumulation. Overall, in the past 10 years, the growth of wages for staff members and workers has exceeded the total industrial growth rate and the national income growth rate, as well as the productivity growth rate. These kind of conditions are apparently abnormal. The practice of living off one's past gains and eating next year's food can only result in austerity. Facts have proved that violent fluctuations in production and sharp changes from relative affluence to austerity can only result in the loss of efficiency; in the long term, such fluctuations and changes will be detrimental to both the development of production and the improvement of living standards. We hope that the tasks ahead in this regard will be carried out more successfully and that fluctuations will be smaller so that relations between production and livelihood and relations between equality and efficiency will change from vicious cycle to benign cycle, thus laying solid foundations for resolving the problem of unfair distribution.

Third, to further examine the problem from another angle, we must analyze the phenomena of unfair distribution that are created by subjective factors (such as policy-making faults and inappropriateness) as well as the phenomena of unfair distribution that are caused by objective conditions and restrictions. We should act in accordance with specific conditions, suit the remedy to the case, and tackle all matters in order of priority. For example, as excessive income disparities among state, collective, and individual economic units have been created by subjective policy-making factors such as

imposing excessively light tax burdens on this and imposing excessively heavy tax burdens on that, these kinds of income disparities can be quickly resolved by readjusting tax burdens. There is another example. The promotion of reforms, housing rents, charges for water and electricity, and public transport fares have remained unchanged for a long time due to the adoption of the long-term measure to freeze such prices. However, because the people's monetary income has increased by a big margin and as the proportion of the urban workers' housing rents and other living expenses in their whole living expenses has been falling constantly, the measure to freeze such prices not only has increased the government's burden of financial subsidies but has also become a cause of the aggravation of egalitarianism in the field of income distribution among urban staff members and workers. This problem has been created by the out-moded concept and the improper policy decision and can also be resolved quickly. However, some problems are relatively complicated. For example, the restrictions imposed on the mobility of population and qualified personnel constitute an important prerequisite for unfair distribution—a manifestation of unequal opportunity. However, this is a problem left over by history, which is restricted by institutional factors and factors in the level of development. As a result, this problem can only be resolved gradually through the promotion of reforms and development.

Although the problem of unfair income distribution is very complicated, we can surely resolve it completely as long as we find out its cause and effect and suit the medicine to the illness. With the promotion of the task of regulating and consolidating reforms, with the deepening of economic reforms, and with the sustained, steady, and coordinated development of our national economy, the contrast between the aforementioned two phenomena in the field of personal income distribution will be gradually reduced, and our income distribution will truly get onto the track of realizing social justice on the premise of improving efficiency.

Experts Discuss Domestic Unemployment Problem

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["Special dispatch" from Beijing: "Special Features of, and Ways To Solve, China's Unemployment Problem—Summary of Forum by Beijing Experts and Academics"]

[Text] "Exploring the Problem of Unemployment in China," a line-up report by our correspondents in the mainland covering two pages of our paper on 7 March, has attracted the attention and great interest of our readers both in and outside China as well as the relevant quarters of the mainland.

Recently, several experts, academics, and researchers in Beijing who study the problem of unemployment in China held a forum on this issue. Present at the forum were:

Zhuang Qidong, deputy head of the advisory group to the State Planning Commission, and member of this group Tian Fang;

Su Hainan, department chief of the Ministry of Labor;

Zheng Dongliang, editor of the journal "ZHONGGUO LAODONG KEXUE" [The Science of Labor in China];

Wang Chujin, lecturer with Beijing Institute of Business;

Han Meng, assistant researcher with the Economics Institute of the Chinese Academy of Social Sciences;

Fang Meng, former head of a research group of the Institute of Journalism, the Chinese Academy of Social Sciences, and our special correspondent.

At this forum, the history, status quo, general outlook, and features of unemployment in China as well as ways to solve the problem were analyzed and discussed. After it was wound up, Wang Xujin, Zheng Dongliang, and Han Meng sorted out the discussions into this summary. We publish this article to seek advice from people both in China and abroad.

There Have Been Three High Tides of Unemployment

Since the founding of the New China, there have been three high tides of unemployment.

The first came shortly after the liberation. The people's government adopted a bread-for-all policy toward the large numbers of functionaries left behind by the former government. The same policy was employed in the socialist transformation of private industrialists and businessmen. Proper arrangements were made for the up-and-coming urban labor force. To make sure they were not unemployed, the policy of "a meal for three shared by five" was adopted and, as a result, as many as over four million unemployed workers found jobs. This was a tremendous success.

The early 1960's saw the second height of unemployment. This was when our country was going through a difficult period of three years and the national economy was being readjusted. The policy of the government was similar to that employed in the previous case. Over three million unemployed workers obtained employment, which marked another enormous success.

However, the reverse side of the coin should not be overlooked: The solution of unemployment was behind the situation of "eating from a common pot" and "living off an iron rice bowl" and developed a drag on the rise in production capacity.

Unemployment peaked for the third time in the late 1970's and early 1980's. Because of the disastrous sabotage by the "cultural revolution," the national economy was on the verge of collapse. By 1979, urban unemployment totaled 5.68 million, the rate of unemployment being 5.4 percent. After the Third Plenary Session of the 11th CPC Central Committee, the state readjusted and

developed the economy and revised ways to settle unemployment. The policy used was an "integration of three methods," i.e., employment recommended by labor departments, self-organized employment, and self-employment, under the overall planning and guidance of the state, unlike the former practice of providing bread for all and eating from a common pot. The efforts over the years succeeded in resolving, in the main, urban unemployment by 1984.

New Features of the New Unemployment Peak

Starting in 1989 and gradually taking shape thereafter, the fourth unemployment peak is facing us now. It has three new features: First, the total number of people unemployed has soared; second, there is a serious imbalance; third, the jobless are not eager to enter employment but are selective about jobs.

The total number of people unemployed has soared. This concerns population growth in China, the gradual deepening of the opening up and reform, and the rise in production capacity. According to an estimate by a relevant department, the urban unemployment in 1989 reached 10.5 million, of which 4.9 million, not even half, have found jobs. The remaining 5.6 million are still unemployed. The outlook for this year is estimatedly similar to 1989. In rural areas, this is due to reduction of arable land acreage, the implementation of contracted responsibility system, and the rise in production capacity. The acreage of arable land has dropped from 1.5 billion mu in 1952 to 1.4 billion mu in recent years. However, rural labor has increased from 173.17 million in 1952 to 323.08 million, the surplus being some 150 million. Consequently, multitudes of surplus rural labor have swarmed to urban areas in large-scale transfers. Shortly after the Spring Festival in 1989, there was a floating population of 50 million, which means, on average, one out of 20 in the whole population was moving. What a figure! Cities, especially those along the coast with a more developed economy, or those having a larger number of Chinese-foreign joint ventures, bear the brunt of the influx of the floating population. According to the statistics of a public security department in China, in each of the 23 cities with over 1 million population, the daily average floating population is some 1 million (including those on public errands, on personal business, or for tour): 1.83 million in Shanghai, 1.15 million in Beijing, and 1.1 million in Guangzhou. To cope with this situation, the State Council dispatched an urgent notice on 5 March 1989 calling on all localities to "strictly control the outflow of project laborers." This is of course a temporary cure which takes effect only for a brief period of time.

Serious loss of balance, a new feature of unemployment in China, finds expression in interregional imbalance. The outflow of population is serious in remote areas, in areas with underdeveloped or single-product economy, such as some counties, towns, industrial or mining areas, forest zones, and war industry zones set up in the

"cultural revolution." In coastal and economically developed areas and large or medium-sized cities, however, fewer people leave. For example, in 1986, the rate of unemployment nationwide was 1.8 percent—0.2 percent in Shanghai, which was economically developed, 0.4 percent in Beijing, and 0.8 percent in Tianjin, whereas the counterpart percentages for Qinghai and Ningxia, both outlying, were respectively 7.7 and 3.1.

The third new phenomenon is that the unemployed are not eager to find employment but selective about jobs. This is also seen in several ways: 1) Imbalance among different ownerships. An overwhelming number of people wish to work in Chinese-foreign joint ventures or wholly foreign-funded enterprises, while only a small number are willing to work in state-operated ones, still fewer in collective enterprises where earning is low. 2) Imbalance among different quarters and trades. There are many people seeking employment in foreign-connected units and big companies whereas very few people are willing to take up occupations requiring high intensity of labor under harsh conditions, such as textile, building material, mining, oil recovery, and metallurgical industries. 3) Imbalance among posts and types of work. For example, posts requiring high skills and small efforts are readily taken up by an overwhelming number of people, but very few people are happy to do dirty, hard, or exhausting work. 5) [as published] Imbalance between sexes. It is more difficult for women workers to obtain employment than men. 6) Imbalance among different levels of workmanship. Because the unemployed are selective about jobs, it is hard to arrange high diploma holders. Some graduates of evening universities, correspondence universities, television broadcasting universities, sparetime universities, and vocational universities also find it hard to get jobs. It is difficult to provide employment for those who have finished primary or secondary education. Under an imperfect labor management system, some units are short of hands whereas some people can not find any openings. Because of all this, the unemployed continue to be out of work.

That the unemployed are not eager to obtain employment and wait to pick jobs is due to the fact that enough members of their families are employed and therefore they do not have to worry about their subsistence. This is vastly different from cases of unemployment in foreign countries or regions, in which the unemployed have no means of subsistence.

Formation of the Current Unemployment Peak

The current unemployment peak has its own features compared with the third peak that came in the late 1970's and early 1980's. An analysis will show the difference in the following four respects:

1. This unemployment peak has come at a time when improvement of the economic environment and rectification of the economic order are underway, reducing the demand for labor. The last peak mainly spanned the

period when country-tempered urban school graduates were being re-urbanized and the cadre policy was in effect. By that time, our country had started restructuring the economic system and the economy had begun to grow rapidly with large-scale investments, thus boosting the demand for labor. In comparison with the previous one, problems involved in the current unemployment peak are more difficult to handle.

2. This peak has come in a period when agricultural production capacity has been raised and rural labor is in surplus and flowing toward urban areas which are undergoing economic improvement and rectification. The result is that labor surplus occurs in both urban and rural areas. But in the last peak period, there was no problem with rural labor.

3. In the present peak period, the unemployed are selective about jobs, looking for those with much headroom, good working conditions, and good pay. They refuse to take up jobs that do not come up to their expectations, hence "voluntary unemployment." But during the last peak period, the urban youth returning to cities and the cadres benefiting from the new policy were keen on getting a job and easily satisfied even though it fell short of their expectations. This is called seeking employment on a "nonvoluntary basis." In the past, the units recruiting fresh blood had to take whoever assigned to them. But the method of two-way choice between employer and employee is now being applied, giving rise to the new situation wherein some tasks find no hands while some people find no work.

4. The present unemployment peak is characterized by a large, still increasing, number of employed people joining the unemployed. As economic improvement and rectification are underway and some enterprises have closed down, suspended, merged, or changed the line of production, some contract workers and cadres, on the expiration of their contracts or appointment, have joined, and thus increased the number of, the unemployed.

The factors that have given rise to the current peak of unemployment are varied. The general reason is the lessened demand for labor on the one hand, and the constant increase of labor on the other. But the specific reasons are as follows.

1. Economic readjustment is underway and the pace of economic growth is brought under control. This is an important reason for the lessened demand for labor. Because investment scale and capital construction have been cut down and enterprises closed, suspended, merged, or changed the line of production, the amount of labor needed has decreased.

2. Employment outlets are converging. The former three outlets for employment, namely, enterprises under ownership by the whole people, collective ownership, and individual ownership, have been affected by the present economic austerity. The second and third sectors have been shrinking and the first is mainly relied upon. But

enterprises under ownership by the whole people are presently facing rectification and therefore not in a position to recruit labor in an all-out way.

3. With an enormous base, the population is growing at an excessive speed. The over 20 million people born during the baby-boom period from 1962 to 1974 have grown to the age at entry into employment, thus increasing the number of people looking for jobs.

4. The number of school-goers has decreased, also increasing unemployment and, at the same time, undermining the improvement of labor quality. According to the statistics from a general industrial survey conducted in 1985, of all the workers in large and medium-sized enterprises, only 35 percent have received senior-middle-school education and above. As we are in an age when science and technology are rapidly developing worldwide, if the most active elements of the productive forces are not better educated and more knowledgeable in science and technology, the future development of production will be adversely affected and it will also cause a further increase of unemployment.

5. The price parities between industrial and agricultural products are irrational. The prices for the latter, especially for grain and cotton, are on the low side and, despite repeated adjustments, still unable to overtake the price hikes of the industrial products for agricultural use as means of production. The price scissors are tending toward widening. As a result, peasants turn away from agriculture and engage in commercial or industrial activities, putting more strains on urban employment.

6. The re-employment of retired personnel in towns and cities has increased. Statistics show that 3.6 million out of more than 21 million retired people are re-employed, thus affecting the arrangements for people who are waiting for employment.

7. There is a lack of macroscopic plans and countermeasures in planning the national economy and social development, causing stray flow of labor.

8. The investment policy is not rational enough. For a long time, it has been fixing its attention on the eastern part of the country at the expense of the western part, giving rise to an imbalance of employment between the two vast areas.

The varied factors listed above are responsible for the current high tide of unemployment. The effect of a temporary cure for this problem is transient, so is that of forcibly blocking labor flow. To find a better solution, it is imperative to direct our attention to the roots of the problem and manage to guide the floating population. The key to this is to develop production, open up employment outlets, and promote economic prosperity.

The Positive Side of Labor Flow

The size of unemployment and the outflow of agricultural labor in China have caused surprise abroad and

upset some people in the country. This is because they have only looked at its negative side and ignored its positive side.

Its positive side can be seen in the following respects:

First, it indicates a breakthrough in the former closed pattern of economy with progressive significance. For a long time, China's economy was a close-door natural economy. Since the reform and opening up started, the installation of the contracted production responsibility system in rural areas and the reform in urban enterprises have unleashed surplus labor from farmland and enterprises, out of the narrow boundaries of natural economy, and into the vast world of commodity economy. This has enabled Chinese peasants to make a brave step, characteristic of the times, out of the old pattern.

Second, it renders service to the construction of cities and the whole country. Several years ago, people in many cities complained about difficulty in finding nursery services, tailors, restaurants, and repair services. The flow of labor from rural towns and townships into large or medium-sized cities has made these problems less serious.

Third, it helps bring up a new type of skilled peasants. The peasants who enter cities gradually learn, through their work, some skills and improve their education and their knowledge in science and technology, and turn themselves into a new type of peasant. Once back in rural areas, they will make up a fresh construction force.

Fourth, it promotes economic development in the remote, poor, and minority nationality regions. Though the bulk of the floating, unemployed population flows from the southwest toward the southeast, some do move from the southeast to southwestern and northwestern areas, taking with them knowledge of production, repair, science and technology, and management to the remote, poor, or minority nationality regions, thus promoting the development of production there.

Professor Fei Xiaotong said: "From a macroscopic point of view, it is quite possible for millions and tens of millions of people to leave their original habitations to work elsewhere.... Such a constant interflow of population keeps the 'umbilical cord,' which links up border regions with the interior, connected and continues the contacts and information exchange between them, which means assistance to the border regions in both labor and knowledge."

Effective Ways To Solve the Problem

China has accumulated some experiences that can be put to effective use through coping with the past high tides of unemployment. Facing the new situation and problems at present, we should take some countermeasures and focus on handling the problems in a comprehensive way, taking account of both urban and rural areas, stepping up the clearing of employment outlets, and promoting production.

In arranging for the surplus agricultural labor, the emphasis should be placed on increasing production and opening up employment outlets so that the surplus labor may break up and be assimilated within rural boundaries. The specific methods to be used are:

First, strengthen capital construction on farmland. Potentials are still there though the national per-capita arable land is only 1.33 mu. Resources should be concentrated on preventing droughts, floods, and waterlogging, and on transforming saline-alkali and eroded land. Stepping up water control construction is the focus of our immediate work. This way, we can not only absorb a large amount of labor, but also raise the economic returns of farmland.

Second, march into undeveloped hills, mountain slopes, beaches, rivers, and lakes. This, on the one hand, creates employment opportunities and, on the other, may pay off with immediate, as well as long-term, economic and ecological returns, benefiting coming generations.

Third, step up transport construction in market towns and mountainous areas to facilitate transportation of local products from, and industrial products to, these areas, promoting economic prosperity there and creating employment opportunities.

Fourth, strengthen town and township enterprises, so the labor engaged leaves the farmland but not the area. Processing industries should be developed to increase agricultural revenue.

Fifth, develop service markets in rural areas and turn them into a channel for regulating and controlling the circulation of labor and build up an effective mechanism of labor regulation and control.

Sixth, organize specialists to serve agricultural production, upgrade the level of specialization in rural areas, and promote agricultural production. Establishments for this purpose include seed companies, feed companies, and various regular specialist teams such as tractor-plowing, maintenance, road upkeep, forest-care, and fishery teams.

For the surplus urban labor, we should continue, on the basis of a moderate economic growth, to develop labor-intensive enterprises that require small investment, turn out quick results, earn high profits and foreign exchange, and accommodate a large amount of labor. Repair and other services catering to the livelihood of residents, which declined for some time, should be restored.

When working on the arrangement for surplus urban and rural labor, we must also pay special attention to several relevant problems.

We should carry on with population control in a planned way so as to reduce employment strains. Work on family planning not only means attention to the irrational growth of population but also diversion of labor in the

meantime. Service markets, urban-rural unitary ones in particular, that function as a mechanism for such diversion should be established.

We should attach importance to education; integrate ordinary education with vocational education, and adult education with in-service training; and run work-study and farming-study programs when reality so requires. We should give play to the initiative of schools run by local people in rural areas, increase investment in education, and make the students better educated and more knowledgeable in science and technology, and production. We should do a good job in service export, coordinate and unify the system of service management, and open up new international service markets. A lot can be done here. There are big markets in western developed countries, in countries like the Soviet Union which are short of labor, and even in some Asian and African developing countries. But service management should be unified, labor training strengthened, and their quality upgraded. We should work out laws to encourage emigration.

We should step up research on, and management of, surplus labor, make in-depth investigation, and exercise management conscientiously, so that we can have the initiative in hand and steer surplus labor into the orbit of benefiting production advancement and economic prosperity.

Economic Consultation, Research Network Created

OW2704063790 Beijing XINHUA Domestic Service in Chinese 0849 GMT 17 Apr 90

[By RENMIN RIBAO reporter Meng Xiaoyun (1322 2556 0061) and XINHUA reporter Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 17 Apr (XINHUA)—Through nearly a decade's construction, an interrelated and mutually complementary government policy consultation and research network has begun to take shape in the country.

Currently, in addition to the State Council's Research and Development Center, a few ministries and commissions have set up their own consultation and research centers or special consultation and research organizations. Economic research centers have also been organized by all provincial, municipal, and autonomous regional authorities, cities with independent economic decisionmaking powers, cities directly under provincial jurisdiction, and a few prefectures and counties. The economic research organizations at various levels have recruited experts, scholars, and comrades with rich practical experience to form a rudimentary nationwide network for government policy consultation.

Actively making suggestions for a scientific, democratic process of government policy decisions, the policy consultation and research organizations at all levels have done a tremendous job in appraising major reform measures prior to their implementation. For example,

after appraising such proposed reform measures as substitution of tax payment for profit delivery, monetary structural reform, foreign trade restructuring, construction, and development of special economic zones, reform of enterprises, and pricing reform, the State Council's Research and Development Center offered timely policy suggestions, thereby contributing to the smooth implementation of major reform measures. Local policy consultation and research organizations at various levels have played an active role as the think tank of local governments. A "preliminary plan for developing an export-orientated economy on the Liaodong Peninsula," formulated by the Liaoning Provincial Government's economic research center, has become an important basis of the provincial government's decision to open the peninsula to the outside world, and many suggestions in the plan, which have been implemented as government policy decisions, have produced fruitful results.

Over the past 10 years, policy consultation and research organizations at various levels have studied future development strategy and long-term plans for the national economy and various departments and regions, and they have completed a number of highly academic research projects, based on China's national conditions. Such projects as the China Study, policy research in the light of the new technological revolution, and industrial policy research, conducted by hundreds of experts under the auspices of the State Council's development and research center, have provided grounds for China's future economic development and structural reform plans. Many important viewpoints of these projects have already been incorporated into the national economic policy and become the guiding principles for the current economic work.

Wheat Diseases Reported Across Nation

OW2704051590 Beijing Domestic Service in Mandarin 0930 GMT 16 Apr 90

[Text] Since the beginning of spring, plant diseases and insect pests have spread in winter-wheat producing areas in China because of relatively high temperatures and excessive rain.

According to the crop disease forecasting center under the Ministry of Agriculture, powdery mildew of wheat and banded sclerotial disease have been widely reported in the Chang Jiang and Huai He valleys. The situation is especially serious in Shanghai, Jiangsu, Anhui, Henan, and Hubei. Mild to serious eruption of stripe rust of

wheat has been reported in western parts of Jiangsu and Hubei; north of Jiangnan Plain; Guyuan Prefecture in Ningxia, and the Guanzhong and Shangluo areas in Shaanxi, and it is expected to spread widely in Tianshui Prefecture and other parts of southern Gansu, as well as northwestern Hubei. Relatively severe wheat scab has been reported in the middle and lower reaches of the Chang Jiang, the areas around the lakes, the Sichuan Basin, the valleys of the Huang He and Huai He, and in southern Shaanxi. Serious eruption of wheat midge have been reported in Henan, Anhui, Shanxi, Shaanxi,

Ningxia, and Gansu. Mild to serious eruption of wheat aphid has been reported in most parts of Shandong, Hebei, Beijing, Tianjin, Henan, Shanxi, and Sichuan.

In view of this, the Ministry of Agriculture has called on all localities to closely monitor the situation, take steps in accordance with the local situation, stock ample farm chemicals, and take immediate action to stop the diseases from spreading in order to ensure a good harvest this year.

East Region

Anhui Provincial CPPCC Meeting Ends

OW2604140590 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 23 Apr 90

[From the "Provincial Hookup" program]

[Excerpts] The Third Session of the Sixth Anhui Provincial Chinese People's Political Consultative Conference [CPPCC] Committee solemnly came to an end at Hefei's Jianghuai Theater this afternoon.

Shi Junjie, chairman of the provincial CPPCC, together with Xu Leyi, Wang Zenong, Sun Youqiao, (Kang Lezhang), Ma Leting, Guang Renhong, Teng Maotong, Meng Yiqi, Liu Yiping, and Zhao Huaishou, vice chairmen of the provincial CPPCC, took their seats at the first row. Provincial party, government, and military leaders and responsible persons of troops stationed in Anhui, including Lu Rongjing, Fu Xishou, Wang Guangyu, Meng Fulin, Yang Yongliang, Hou Yong, Liu Guangcai, Wang Shengjun, Shi Lei, Shao Ming, Zheng Rui, Ding Yiquan, Kang Zhijie, Chen Tingyuan, Yang Jike, Chen Tianren, Tu Hongben, Wang Sheyun, Du Yijin, Wu Changqi, Li Yuanxi, Hua Zeqing, and Zhao Zunyi attended the meeting to warmly express their congratulations on the complete success of the meeting and took the seats on the rostrum. [passage omitted]

Chairman Shi Junjie said: Early last year, the CPC Central Committee approved and circulated the interim regulations governing political consultation and democratic supervision. It also announced the opinions on multiparty cooperation and political consultation system under the leadership of the CPC not long ago. Both of these two documents are important. It is necessary for provincial CPPCC committees at all levels to take it as an important task in this New Year to constantly implement the important documents of the CPC Central Committee. [passages omitted]

Jiangxi People's Congress Work Reviewed

HK2604120090 Nanchang Jiangxi Provincial Service
in Mandarin 1000 GMT 23 Apr 90

[Excerpts] The Third Session of the Seventh Jiangxi Provincial People's Congress held its second meeting this afternoon. [passage omitted]

Entrusted by the provincial People's Congress Standing Committee, its Vice Chairman Wang Zemin delivered at the meeting a report on work of the Jiangxi Provincial People's Congress Standing Committee. Wang Zemin said: Under the leadership of the Jiangxi Provincial CPC Committee, the provincial People's Congress Standing Committee seriously implemented the spirit of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee, actively extended its work in accordance with the functions and powers endowed with by the Constitution and law and achieved some successes in developing socialist democracy, perfected the

socialist legal system, promoted political stability, further improved the economic environment and rectified the economic order and deepened reform in an all-around way. Over the past year, the provincial People's Congress Standing Committee did work chiefly in the following six aspects. 1) It took a clear-cut position in opposing the riots, guarding the sanctity of the Constitution and law, and maintaining social stability. [passage omitted] 2) It exercised its functions and powers according to the law around the central tasks of the party. [passage omitted] 3) It paid attention to basic work and maintained closer links with People's Congress deputies. [passage omitted] 4) It organized and guided the work of holding elections for people's congresses at the county and township levels. 5) It strengthened theoretical research work regarding local people's congresses and [words indistinct]. 6) It strengthened the building of itself to improve its work.

Wang Zemin pointed out: Under the leadership of the Jiangxi Provincial CPC Committee and thanks to the efforts of its members, the Standing Committee has achieved some successes in its work since the Second Session of the Seventh Provincial People's Congress. However, compared with the functions and powers endowed with by the Constitution and law, with the expectation of the people of the whole province and with the demands of the developing situation, we still have a long way to go. We believe that under the leadership of the Jiangxi Provincial CPC Committee and with the concerted efforts of all deputies and members of the Standing Committee, the Standing Committee will certainly do its duty better, perform functions and powers endowed with by the Constitution and law, and make new contributions to the guaranteeing of stability and development, economic development, and the extension of democracy of our province. [passage omitted]

Shanghai People's Congress Ends Session

OW2604114790 Shanghai WEN HUI BAO in Chinese
9 Apr 90 p 1

[Dispatch by reporter Shen Chuanxin (3088 0278 0207)]

[Text] The 17th Session of the Standing Committee of the Ninth Municipal People's Congress ended yesterday. It adopted the "Provisional Statute for Caohejing New-Technology Development Zone in Shanghai."

According to the statute, the five-square-km Caohejing Development Zone in Shanghai will be built into a comprehensive research, development, pilot-plant experiment, production, operations, and training base for a large variety of new and high technologies, including microelectronics, fiber optics, lasers, new materials, new energy sources, and astronautics. Some call it China's "Silicon Valley."

New technology enterprises meeting the statute's requirements can enjoy such preferential treatments as reduction or exemption of part of their tax obligations and priority in obtaining loans.

The statute also states that proficient scientists and technicians of other localities may come to work in this development zone with the approval of the municipal personnel department. Such personnel may register with the residential registration office as residents of this municipality.

In addition, the statute contains strict stipulations on environmental protection in the development zone. Projects to be built in the zone must be free of pollution or cause little pollution. Also the statute requires adherence to the principle that antipollution facilities must be designed, built, and put into operation simultaneously with the main project. Moreover, energy used by enterprises and institutions in the development zone must be clean.

The meeting held yesterday adopted "Regulations of the Standing Committee of the Shanghai Municipal People's Congress on Appointments and Removals of Government Personnel" and a report on changes among deputies to the Ninth Municipal People's Congress and on the examination of credentials of candidates for by-election of deputies. The meeting also examined and adopted a number of documents in preparation for the Third Session of the Ninth Municipal People's Congress. These include a proposed namelist of the session's presidium and secretary general, agenda, a namelist of nonvoting participants, procedures for election of the presidium and secretary general, procedure for by-election of vice chairmen of the Standing Committee of the Municipal People's Congress, and a draft namelist of members of the Motions Committee of the Third Session of the Ninth Municipal People's Congress. These documents will be submitted to the Third Session of the Ninth Municipal People's Congress for discussion and approval.

As proposed by Mayor Zhu Rongji, the Standing Committee of the Municipal People's Congress decided to remove Li Chuntao from the post of chairman of the Construction Committee and Qian Pu from the post of director of the Municipal Industrial Administration for Suburban Counties (formerly called the Municipal Farm Machinery Administration).

Yesterday's meeting was presided over by Ye Gongqi, chairman of the Standing Committee of the Municipal People's Congress. Vice Chairmen Chen Tiedi, Sun Guizhang, Liu Jingji, Tan Jiazhen, Ye Shuhua, Li Jiahao, and Wang Chongji attended the meeting. Present at the meeting as nonvoting participants were Zhuang Xiaotian, vice mayor; Gu Nianzu, president of the Municipal Higher People's Court; and Shi Zhusan, chief procurator of the Municipal People's Procuratorate.

Central-South Region

Guangxi Regional People's Congress Work Reported

HK2604123890 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 23 Apr 90

[Excerpts] At the third plenary meeting of the Third Session of the Seventh Regional People's Congress held

this morning, Jin Baosheng, vice chairman of Guangxi Zhuang Autonomous Regional Seventh People's Congress Standing Committee, at the request of the Standing Committee, made a report on the work of the Standing Committee since the Second Session of the Seventh Regional People's Congress.

In his report, Jin Baosheng said: In the course of the grim political struggle in 1989 and economic improvement and rectification and deepened reform, the Standing Committee, under the leadership of the regional party committee, upheld the party's basic lines, conscientiously carried out the spirit of the Third and Fourth Plenary Sessions of the 13th CPC Central Committee, worked hard to secure political, economic, and social stability, promoted socialist construction, and exercised functions entrusted by the Constitution and laws, making achievements in work in all fields.

In his report, Jin Baosheng talked about the work in five fields done by the Standing Committee. The Standing Committee exercised its functions according to law, safeguarded the political stability and unity in the region, supported and supervised the government while the latter concentrated energy on economic rectification, on agricultural production in particular, supervised and supported the struggle against corruption, and energetically aroused the people to take part in the drive to build a clean and honest government. The Standing Committee urged people's governments at all levels to screen and rectify various kinds of enterprises, regarding the move as a point of breakthrough for eliminating corruption and building a clean and honest government. At the same time the committee supervised and supported the regional government, People's Court, and People's Procuratorate in their efforts to deal with major and important cases. The committee repeatedly listened to the work report on the cases which were complicated and had a great impact, and urged the departments concerned to seriously deal with them. The committee also urged the government to look into the cases of state employees violating the law, discipline, and regulations in building private houses.

Jin Baosheng continued: Since the Second Session of the Seventh Regional People's Congress, the committee has made a new step in strengthening the socialist legal system. Relatively great progress has been made in the work of enacting laws for minority nationalities. At present, eight autonomous counties in the regions have had regulations on the exercise of autonomy to go by. Regarding economic legislation, the committee has also worked out regulations protecting consumers' legal rights and methods for controlling fishing. Again the committee has worked out regulations protecting old people's rights and interests, and revised detailed rules and regulations for election. These laws and regulations applicable in the region have helped develop the socialist commodity economy, stabilize the economic order, and safeguard social stability and unity. In the second half of last year, the Standing Committee made an investigation

into the work of implementing the 14 laws and regulations including the Constitution, forest law, regional regulations governing control of water conservancy projects, regulations for planned parenthood, and so on, and corrected some administrative regulations, decisions, and resolutions which went against the laws and statutes, safeguarding the seriousness and uniformity of laws and statutes. The committee also put right some cases which had been misjudged and solved some issues which had been outstanding for a long time. [passage omitted]

Jin Baosheng said that the Standing Committee will work hard this year to do the following jobs properly: 1) Try hard to safeguard the regional stability as a whole; 2) further strengthen local legislation; 3) continue strengthening supervision over government work and enforcement of laws; 4) make adequate preparations for elections of members to the People's Congress at city, county, and township levels for a new term of office; 5) give free rein to the role of representatives to the People's Congress.

Guangxi Stresses Role of People's Congresses

HK2604145790 Nanning Guangxi Regional Service in Mandarin 1030 GMT 24 Apr 90

[Excerpts] On the afternoon of 23 April and on the morning of 24 April, deputies to the Third Session of the Seventh Guangxi Regional People's Congress held panel discussions on the Draft Regulations of the Guangxi Zhuang Autonomous Region on Work of Supervision Exercised by Standing Committees of People's Congresses at Various Levels.

All deputies pointed out that the formation of the regulations on work of supervision is very important and extremely necessary. [passage omitted] They also said: To strengthen the work of exercising supervision by the people's congresses at various levels is to guarantee the steady development of the country and society through strengthening the building of the socialist legal system and pushing the people's governments, the people's courts, and the people's procuratorates to implement better the party's line, principles, and policies, to improve their work efficiency, diminish errors, and eliminate bureaucracy. Under the present situation of deepening reform, many new things and problems appear. It is thus more important to strengthen the work of exercising supervision by the people's congresses. [passage omitted]

On the afternoon of 24 April, all groups also examined and discussed a report on work of the regional People's Congress Standing Committee by its Vice Chairman Jin Baosheng.

Hainan CPC Secretary Attends Provincial Meeting

HK2604150390 Haikou Hainan Provincial Service in Mandarin 2200 GMT 25 Apr 90

[Text] On the morning of 25 April, members of the Presidium of the Fourth Plenary Session of the First Hainan Provincial Conference of People's Representatives and members of the Standing Committee of the Hainan Provincial Conference of People's Representatives held a meeting in Qiongyan Hotel in Haikou, to listen to the "Report on Hainan's Work of Screening and Rectifying Companies." It was delivered by Lu Jun, deputy secretary general of the Hainan Provincial People's Government and concurrently chief of the Hainan Provincial Leading Group in Charge of Work of Screening and Rectifying Companies. Pan Qiongxiong, vice chairman of the Hainan Provincial Conference of People's Representatives delivered a "Report on Deputies of National People's Congress and Hainan Provincial Conference of People's Representatives Inspecting Hainan's Work of Screening and Rectifying Companies."

The meeting was attended by a number of provincial party and government leaders, including Xu Shijie, secretary of the Hainan Provincial CPC Committee and concurrently chairman of the Hainan Provincial Conference of People's Representatives; Liu Jianfeng, deputy secretary of the Hainan Provincial CPC Committee and concurrently governor of Hainan Province; Yao Wenxu, deputy secretary of the Hainan Provincial CPC Committee and concurrently chairman of the Hainan Provincial CPPCC Committee; Wang Yuefeng, vice governor of Hainan Province; and others.

Comrade Xu Shijie delivered a speech at the meeting.

In his speech, Comrade Xu Shijie said that it is necessary to further the campaign aimed at screening and rectifying various types of companies so as to discipline those companies engaged in illegal business operations and protect those companies which are conducive to Hainan's development and construction. It is necessary to combine the campaign aimed at screening and rectifying various types of companies with the campaign aimed at building a clean government with a view to boosting Hainan's economic development and maintaining a good social order in Hainan.

Northwest Region

Gansu Armed Police Party Congress in Session

HK2704105590 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 24 Apr 90

[Text] Speaking at the first party congress of the Gansu Provincial People's Armed Police General Unit on 23 April, provincial party committee Secretary Li Ziqi emphasized political building. He said: Experience has

proved that the Gansu Provincial People's Armed Police General Unit is qualified politically and has a perfect mastery of military skills.

Li Ziqi continued: Political work is the life-blood of all work. Only by making ceaseless efforts to strengthen political building will we be able to raise the military and political quality of armed units and guarantee that they are up to the required political level.

Since its establishment seven years ago, the Gansu Provincial People's Armed Police General Unit has organized its units to unfold the activities of encouraging the police and the people to build spiritual civilization together. Ninety nine centers of spiritual civilization jointly built by the police and the people were named as civilized units by governments at and above the county level; eight persons were awarded medals of worthy sons and daughters of the Chinese nation by the Central Communist Youth League Committee; and 378 persons were cited by the provincial party committee, the provincial people's government, and the headquarters of the Chinese People's Armed Police Force.

Armed police units across the province also took an active part in the task of dealing with emergencies and disasters and providing relief more than 140 times, rescued 480 people from emergencies and natural disasters, and saved more than 170 million yuan worth of state property, thus making great contributions to Gansu's stability.

Li Ziqi, Jia Zhijie, Ge Shiyang, Lu Kejian, (Wang Shitai), Huang Luobin, Li Dengying, Wang Bingxiang, Wang Jintang, Zhou Xuechi, and responsible persons from the headquarters of the Chinese People's Armed Police Force attended the first party congress of the Gansu Provincial People's Armed Police General Unit and received all delegates to the congress.

Gansu Secretary Takes Part in Tree Planting

HK2604114490 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 25 Apr 90

[Excerpt] Yesterday [25 April] morning, Li Ziqi, secretary of the provincial party committee; Han Zhengqing, member of the provincial party committee Standing Committee; and responsible persons of relevant provincial departments, went to (Luojiemo) Village of (Huichuan) Town, Weiyuan County to take part in the tree planting activity. At the end of last year, after the provincial party committee and government shifted the focus of the work to help the poor to the high, cold, and remote areas, and the areas inhabited by minority nationality people, Comrade Li Ziqi made himself responsible for the shake-off-poverty work of Weiyuan County. [passage omitted]

Earthquake Registering 6.9 Hits Qinghai 26 Apr

OW2604151790 Beijing XINHUA in English
1457 GMT 26 Apr 90

[Text] Beijing, April 26 (XINHUA)—An earthquake registering 6.9 on the Richter Scale hit northwest China's Qinghai Province at 18:37 hours (Beijing summer time) today.

According to the State Seismological Bureau, the epicenter of the quake was located between Gonghe and Xinghai Counties in the Hainan Tibetan Autonomous Prefecture, at 36.1 degrees north latitude and 100.3 degrees east longitude.

Initial reports said all the buildings of Tanggemu farm were destroyed, some houses in Heka township were damaged and a landslide occurred at the Longyangxia reservoir, but normal operation of the hydropower station there was not affected.

The quake was felt in other areas of Qinghai and in neighboring Gansu Province.

The state and provincial seismological bureaus have sent teams to the area to investigate.

109 Reported Killed

HK2704013090 Hong Kong AFP in English
0114 GMT 27 Apr 90

[Text] Beijing, April 27 (AFP)—At least 109 people died and 120 were injured when an earthquake measuring 6.9 on the open-ended Richter scale struck the western Chinese province of Qinghai, in the foothills of the Tibetan mountains, on Thursday, the State Bureau of Seismology said Friday.

The quake, which struck in late afternoon, destroyed thousands of homes, a bureau spokesman said.

Occurring at 5:37 p.m. local time (1037 GMT), it struck an area around a huge lake at the foot of the Himalayan plateau.

The epicentre was half-way between the counties of Gonghe and Xinghai, the seismological bureau said.

Yin Kesheng Attends Relief Meeting

HK2704045390 Xining Qinghai Provincial Service
in Mandarin 2230 GMT 26 Apr 90

[Text] According to initial reports from the earthquake network, an earthquake registering 6.8 on the Richter Scale struck Heka and Tanggemu in the Hainan Tibetan Autonomous Prefecture of our province, at 100.15 degrees of east longitude and 36.15 degrees of north latitude, at 1827 on 26 April.

The quake was strongly felt at Xining, Huangzhong, Datong, Gangca and Minhe of our province. Some houses in Hualong, (Qinke), Gonghe, Tongde and

Tanggemu farm collapsed and a three-degree landslide occurred at some parts of Heka of Xinghai county and Manglai of Guinan county.

Right after the earthquake occurred, the provincial party committee and the provincial people's government held an emergency meeting. Provincial party committee Secretary Yin Kesheng attended the meeting and made arrangements for relief work.

Provincial party committee Deputy Secretary Tian Chengping and Vice Governor Wu Chengzhi led comrades responsible for some departments concerned and four medical teams last night rushed to the areas located the epicenter of the quake. The provincial earthquake bureau also sent a working team to the areas to conduct investigations.

Meanwhile, local armed police and public security police have actively thrown themselves into the battle against the quake and relief work.

Qinghai People's Congress Holds Session

HK2704100390 Xining Qinghai Provincial Service in Mandarin 2230 GMT 24 Apr 90

[Text] The Third Plenary Session of the Seventh Qinghai Provincial People's Congress was convened in Xining this morning.

The executive chairmen of this morning's session are: Huanjue Cailang, chairman of the Standing Committee of the Qinghai Provincial People's Congress; Ga Bulong, Lu Shengdao, Xabchung Garbo, Xie Gaofeng, Ma Wending, Yang Wenjin, Han Fucai, Yang Maojia, vice chairmen of the Standing Committee of the Qinghai Provincial People's Congress; Yin Kesheng, secretary of the Qinghai Provincial CPC Committee; Tian Chengping, deputy secretary of the Qinghai Provincial CPC Committee; Jin Jipeng, deputy secretary of the Qinghai Provincial CPC Committee and concurrently acting governor of Qinghai Province; Bian Yaowu, vice governor of Qinghai Province, and others.

At 9:00, Comrade Huanjue Cailang announced the opening of the session.

On behalf of the Qinghai Provincial People's Government, Comrade Jin Jipeng reported the "Work Report of the Qinghai Provincial People's Government."

In his "Government Work Report," Comrade Jin Jipeng reviewed the work done by the Qinghai Provincial People's Government over the past year, saying that Qinghai has achieved initial results in the campaign aimed at improving the economic environment and rectifying the economic order, maintained a sustained growth of provincial national economy, and comprehensively developed all social undertakings.

He put forward the following main tasks to be accomplished by the Qinghai Provincial People's Government in the year 1990: 1) To further the campaign aimed at

improving the economic environment, rectifying the economic order, and deepening the reform; 2) to strengthen agricultural and animal husbandry foundations and strive to reap good agricultural and animal husbandry harvests this year; 3) to maintain a steady growth of Qinghai's industrial production by readjusting industrial structure and increasing economic results; 4) to stabilize commodity prices and market and make good arrangements for people's livelihood; 5) to be ready to live an austere life for a few more years and invigorate fund circulation; 6) to further the reform of the economic structure and speed up the process of opening up to the outside world; 7) To accelerate scientific and technological advancement and steadily develop provincial educational undertakings; 8) to greatly step up the building of socialist spiritual civilization and further develop all types of social undertakings; 9) to maintain overall stability in Qinghai and successfully accomplish all tasks concerning the campaign aimed at improving the economic environment, rectifying the economic order, and deepening the reform.

Those attending this morning's opening ceremony of the Third Plenary Session of the Seventh Qinghai Provincial People's Congress also included members of the Third Plenary Session of the Sixth Qinghai Provincial CPPCC Committee, deputies to the recently concluded Third Plenary Session of the Seventh National People's Congress, responsible persons of various departments of the Qinghai Provincial CPC Committee and the Qinghai Provincial People's Government, and responsible persons of the General Office of the Standing Committee of the Qinghai Provincial People's Congress.

Qinghai Secretary Urges Relying on Working Class

HK2604135190 Xining Qinghai Provincial Service in Mandarin 2230 GMT 25 Apr 90

[Text] At a forum jointly held by the provincial Trade Unions Federation and provincial Financial and Economic Committee on 25 April to mark Labor Day, Yin Kesheng, secretary of the provincial party committee, said: In order to run the socialist enterprises well, we must not merely rely on a small number of people nor on the methods such as money and material incentive and punishment, but must respect and rely on the working class.

Yin Kesheng continued: The core of the working class is the industrial workers. At the same time, we must also clarify some questions. First, the question concerning intellectuals and the masses of workers. Intellectuals form a part of the working class. In a certain sense, they are the part of the working class who have comparatively better knowledge of modern science and technology. Therefore, it is necessary to guide the workers and the intellectuals to unite as one and learn from each other so that they can make up for each other's deficiencies and make common progress.

Second, the question of the relationship between managers and workers. The directors, managers, and other

administrative personnel of the enterprises are entrusted by the state and the workers to carry out enterprise management. They are different from the workers, engineers, and technicians only in the division of work, and there is not any difference between them in respect of purpose of work and fundamental interests. Therefore, only by protecting the authority of plant directors and their enthusiasm in enterprise management can we do things better to protect the workers' democratic right in enterprise management and mobilize their initiative as masters of their own houses.

Third, the question of relying on the workers and carrying education among them. It is necessary to rely on the workers. It is also necessary to educate and guide them. This is a consistent idea of our party. Only by strengthening ideological and political work and putting ideological building in the first place can we effectively mobilize and give fuller play to the initiative of the workers. At present, it is necessary to educate the workers to correctly handle the relationship between the state, collective, and individual, to do their part for the socialist cause, and with a high sense of responsibility as masters of their own houses, to share the cares and burdens of the state, and make greater contributions to national construction.

Yin Kesheng said: It is necessary to work out some systems to ensure that we can rely on the working class wholeheartedly. The workers' participation in enterprise management and the system of joint leadership by the cadres, workers, and technicians should be continued. The mass line should be followed when working out major policy decisions and arrangements concerning enterprise production and management, so that the opinions of the masses can be collected and absorbed. We must continue to select cadres from among the workers. The organizational and personnel departments must work out relevant concrete measures as soon as possible.

In conclusion, Yin Kesheng said: In order to implement various measures for relying on the working class in an all-around way, it is necessary to strengthen correct party leadership over enterprises. He hoped that party secretaries and directors of various enterprises proceed from

the overall situation of stressing party spirit, principles, and unity and make common efforts to run the socialist enterprises well.

Bai Qingcai Elected Shaanxi Provincial Governor

OW2704012190 Beijing XINHUA in English
1407 GMT 26 Apr 90

[Text] Xian, April 26 (XINHUA)—Bai Qingcai, 57, was today elected governor of Northwest China's Shaanxi Province at the Third Session of the Seventh Shaanxi Provincial People's Congress.

A native of Wutai County in neighboring Shanxi Province, Bai had previously engaged in financial work and served as deputy-governor of Shanxi.

He became deputy secretary of the Shaanxi Provincial Committee of the Communist Party and deputy governor of Shaanxi in March 1990.

His predecessor, Hou Zongbin, is now secretary of the Henan Provincial Communist Party Committee.

Shaanxi Congress Presidium Holds Second Meeting

HK2604124590 Xian Shaanxi Provincial Service
in Mandarin 2330 GMT 21 Apr 90

[Text] The Presidium of the Third Plenary Session of the Seventh Shaanxi Provincial People's Congress held its second meeting yesterday afternoon.

The meeting approved "Namelist of Candidates for Provincial Governor and Provincial People's Congress Standing Committee Members."

The meeting also approved the resignation of Liu Minkai as chairman of the Legal Committee of the Seventh Shaanxi Provincial People's Congress and "Election Regulations of the Third Plenary Session of the Seventh Shaanxi Provincial People's Congress."

All the decisions made by the presidium will be submitted to the forthcoming Third Plenary Session of the Seventh Shaanxi Provincial People's Congress for deliberation and approval.

Lawmakers Stage Walkout To Protest Defense Budget*OW2604083190 Taipei International Service in English
0200 GMT 21 Apr 90*

[Text] Debate occurred in the Legislative Yuan on Friday [20 April], when lawmakers were to review the proposed fiscal 1991 budget for the Ministry of National Defense. Many lawmakers questioned whether or not the budget for the military should be made public, and a heated argument took place over the issue. No decision was made on the budget as a result.

The Defense Ministry stated on Friday that certain contents of the budget are very classified, and opening the information to the public will threaten national security, and as a result, violate ROC [Republic of China] laws concerning releasing national secrets. A number of legislators on Thursday, during the first day of screening, walked out of the meeting room to protest the ministry's refusal to openly discuss the contents of the budget. The ministry said on Friday that the legislators continued to seek the opening up of the budget, and it will take legal procedures to protect the confidentiality of the budget.

Agreement Reached on Budget*OW2604105990 Taipei Domestic Service in Mandarin
2300 GMT 21 Apr 90*

[Text] Amid arguments and negotiations, the ruling and opposition party caucuses in the Legislative Yuan finally reached a compromise on 21 April on the principles for examining the defense budget. The ruling party agreed to let Defense Minister Hau Pei-tsun deliver an oral report on the defense budget on 26 April and promised to modify the procedures for examining the general budget. The Democratic Progressive Party, for its part, agreed not to stall legislative proceedings and delay the examination.

Official on Government Connection With Radio Ship*OW2704044490 Taipei CNA in English 1530 GMT
26 Apr 90*

[Text] Taipei, April 26 (CNA)—Shaw Yu-ming, director general of the Government Information Office [GIO], said Thursday that the Republic of China [ROC] Government would not involve itself in activities sponsored by the mainland Chinese dissident broadcasting ship "Goddess of Democracy," but it would act in accordance with international practice if the ship files an application with ROC port authorities to resupply itself in Taiwan ports.

At a regular GIO press conference, Shaw said that the government is interested in all activities which involve mainland democracy, but the government would not participate in any activities sponsored by the ship.

The "Goddess of Democracy" is a radio broadcasting ship from France which plans to begin broadcasting

prodemocracy messages to mainland China next month from international waters off the mainland Chinese coast.

Basic Agenda for National Conference Decided*OW2604083790 Taipei International Service in English
0200 GMT 22 Apr 90*

[Text] The preparatory committee for the National Affairs Conference on Saturday [21 April] held its second meeting and decided on the basic agenda for the conference which is to be held at the end of June. The committee also decided that during the conference, if there are a number of various viewpoints aired on certain issues, the agenda of the conference will be flexible enough to allow proper discussion for everyone to view [previous word as heard]. In addition, the preparatory committee decided that each speaker at the conference will be limited 5 minutes when expressing his views on a particular issue. However, there will not be any time limits on the overall discussion of any topic.

The National Affairs Conference is aimed at examining and finding solutions to urgent problems currently facing the nation.

Economic Minister Begins Southeast Asia Visit*OW2604083490 Taipei International Service in English
0200 GMT 24 Apr 90*

[Text] Economic Minister Chen Li-an has left for an 11-day visit to Southeast Asian countries. Chen, accompanied by a score of ranking economic officials, will visit the Philippines, Thailand, and Malaysia. Chen will call on economic officials of these three Southeast Asian countries and will visit ROC [Republic of China] entrepreneurs who have invested there. The delegation will first visit Manila, and then proceed on to Bangkok and Kuala Lumpur.

Chen, who made a similar visit to Indonesia last month, will be back in Taipei next Tuesday for a Legislative Yuan session and will rejoin the delegation in Bangkok. The delegation will return home on May 2.

Trade Mission To Visit Mainland Early May*OW2704043790 Taipei CNA in English 0231 GMT
27 Apr 90*

[Text] Taipei, April 27 (CNA)—A 52-member trade mission, organized by the Republic of China [ROC] Association of Export Enterprises, will arrive on the China mainland May 2 to gather information on the investment and trade climate there.

Hsiung Chi-fang, chairman of the association and leader of the trade mission, told an organizing meeting Thursday afternoon that the mission would divide into eight groups to make 18-day visits to Amoy, Talian, Shanghai, Peking, Hangchou, Tienchin, and Wuhan.

Augustine C.T. Wu, deputy director general of the Board of Foreign Trade, said at the meeting that domestic businessmen should try to deepen their understanding of the plus and minus of indirect trade and investment with the mainland during their fact-finding trip in order to help them make decisions and to provide the government with reference information.

This is the first time the ROC Association of Export Enterprises has organized a fact-finding mission to the China mainland. The association would continue to help domestic businessmen improve their understanding of mainland Chinese markets, Hsiung said.

Foreign Investment Increases During First Quarter

OW2604083890 Taipei International Service in English
0200 GMT 24 Apr 90

[Text] According to the Economic Ministry, foreign investment in Taiwan was up three percent during the first quarter of this year, compared with the same period last year.

Foreign businesses pumped \$488 million into investment on Taiwan. Most of these dollars went into the trade, insurance, and service industries. During the same period last year, most of foreign investments were in chemical, electronic, and electrical machinery industries. A ministry analyst said that the deteriorating social order, environmental protection, and labor disputes along with the rising cost of land for industrial use in Taiwan are some of the factors clouding the island's investment environment. The ministry said the slowdown in overall foreign investment and the shift towards investment in service sector are causes for concern.

Mainland Opens Some Schools to Taiwan Students

OW2604064790 Taipei International Service in English
0200 GMT 23 Apr 90

[Text] Mainland China will open seven of its leading universities to students from Taiwan for the first time in 40 years of estranged relations, the official press on mainland China reported Saturday. Senior education official Cho Li-ming said students from Taiwan may apply to mainland Chinese universities through recruitment offices in Hong Kong, Macao, Guangzhou, and Xiamen. According to the state-run CHINA DAILY newspaper, the seven schools open to Taiwan students include prestigious Peking and Qinghua Universities in the capital, Fudan University in Shanghai, and Xiamen University in coastal Fujian Province. Applicants must be under 25, healthy, and unmarried, and must pass an entrance exam given at any of the four recruitment offices 24 June through the 26th.

Envoy Selected To Attend Costa Rican Inauguration

OW2604051190 Taipei CNA in English 1419 GMT
23 Apr 90

[Text] Taipei, April 23 (CNA)—President Li Teng-hui in a presidential decree Monday appointed Yu Kuo-hua,

senior adviser to the president, as the Republic of China's special envoy to attend the inauguration of Costa Rican President-elect Rafael Angel Calderon scheduled to be held on May 8.

Taiwan-Netherlands Business Council Meeting Opens

OW2604045690 Taipei CNA in English 0318 GMT
25 Apr 90

[Text] The Hague, Holland, April 24 (CNA)— The 8th Republic of China [ROC]-Holland Joint Business Council Meeting opened at the Holland Trade House here Tuesday with both nations' business leaders reaffirming their commitment to further promote economic cooperation between the two countries.

Both co-chairmen of the meeting, Chen Yao-sheng, president of the Chinese Petroleum Corp., and A. De Boer, chairman of the Netherlands Council for Trade Promotion, stressed in their speeches that the joint council would continue to seek and provide economic cooperation opportunities for joint ventures between the two countries in industrial technological development and service sector.

Since the ROC-Dutch Joint Business Council was created in 1983, more than 50 Chinese firms have set up their branch offices or affiliated companies in the Netherlands and some 30 Dutch industrial or banking service firms have moved to Taiwan through merging or technical joint venture.

"The reciprocal flow of capital and technology will continue to increase with our promoting activities, simply because economic interest of the two countries becomes more and more complementary," De Boer said.

De Boer invited ROC businessmen to better use the position of Holland as their gateway to enter the shaping single European market which will be achieved by the end of 1992.

Chen, emphasizing the importance of Holland the ROC Government and business circles attached to, said that the ROC welcomed all cooperation initiatives from Dutch business circles to help further foster bilateral economic and trade ties, especially in banking, industrial research and development and agricultural cooperation.

Chen, in his remarks, admitted that the Netherlands provides an attractive place for ROC businessmen and bankers to enter the integrating EEC market and the changing East Europe. ROC trade with the 12-nation EEC block increased tremendously in recent years, which accounted for 16.3 percent of ROC global trade in 1989 and jumped further to 18.9 percent in the first quarter of 1990.

He also invited Dutch businessmen to invest more in Taiwan as Taiwan will soon become an international commercial and financial center.

The joint meeting, also attended by officials from the ROC Far East Trade Service and Dutch Economics Ministry, will continue with a series of seminars in banking, food processing and horticulture, environmental protection, and medical technology until Wednesday.

Taiwan Welcomes Technology Investment

*OW2604063390 Taipei CNA in English 0335 GMT
25 Apr 90*

[Text] The Hague, Holland, April 24 (CNA)—The Republic of China [ROC] on Taiwan welcomes investors from the Netherlands in high technology. John C.I. Ni, director general of the Industrial Development and Investment Center, disclosed here Tuesday.

Ni, speaking to the ROC-Dutch joint business council meeting at the Holland Trade House, said as the ROC government is liberalizing and internationalizing its trade and economy, it provides many advantageous opportunities for cooperation with new industrial partners, especially in high-tech and services, to upgrade its industrial structure.

The ROC official drew up for Dutch business leaders a clear map of advantages for foreigners to invest in Taiwan, including no nationalization of foreign investments, exemption of customs duties on high-tech materials and machinery imports, bank and financial supports, government-match funds for research and development, and rich and well-trained manpower resources.

Some 150 business leaders from the Netherlands and the ROC attended the annual ROC-Dutch joint business council meeting which has been alternatively held in Taipei and The Hague every year since 1983.

As the Netherlands is one of leading industrial countries in Europe, Ni said, its development experience in such fields as electronic components and automation systems, computer and telecommunications, environmental protection, aircraft and auto part manufacturing, biomedical technology, can be exported to the ROC for mutual benefit.

With excellent sea and air transportation facilities and good service and financial markets which are increasingly liberalizing, Taiwan will soon become a new commercial center in the Far East, Ni said.

He urged therefore the Dutch business circles to anticipate the future economic expansion of the ROC on Taiwan from which the Hollanders can achieve business development throughout the Southeast Asia.

Agricultural Agreements Signed

*OW2604063490 Taipei CNA in English 0340 GMT
25 Apr 90*

[Text] The Hague, Holland, April 24 (CNA)—Agricultural experts from the Republic of China [ROC] and the Netherlands Tuesday decided to further cooperate each other [as received] by exchanging experience in floral culture, livestock breeding and food processing industry.

Announcing at the 8th ROC-Dutch joint business council meeting here, A. Van Nieuwenhuyzen, managing director of the Dutch Technical Training Center for Mushroom Growers, said the decision was made by a workshop gathering ROC and Dutch agricultural expert-delegates to the joint meeting.

Dr. Chung Po, technical superintendent for the ROC Council of Agriculture, who co-signed the workshop memorandum, said Dutch livestock industrial circle has shown high interest in technical cooperation with the ROC in milk processing, and cattle, poultry and pig breeding.

According to the memorandum, the Netherlands will initially provide farming trainings for technicians from the Republic of China in new bio-technology of livestock breeding and pollution control. Some Dutch experts will also be invited by the ROC's Council of Agriculture to organize workshops in Taiwan to promote livestock exports and environmental protection.

Meanwhile, Chung said the Council of Agriculture would introduce Holland's sophisticated technique in horticulture to ROC flower growers to boost flower production for export.

Hong Kong

Press Briefed on Preparations for Asian Games

OW2604053790 Beijing XINHUA in English
1428 GMT 23 Apr 90

[Text] Hong Kong, April 23 (XINHUA)—A top Chinese sports leader told the press here today that all the 39 members of the Olympic Council of Asia have expressed their readiness to participate in the 11th Asian Games to be held in Beijing this September.

Wu Shaozhu, executive president of the Beijing Asian Games Organizing Committee (BAGOC), said the BAGOC expects some 6,000 athletes for the games. China will field more than 600 athletes to compete in all the 27 sports and two demonstrations of the Asiad.

Wu, who is also the minister in charge of the State Physical Culture and Sports Commission, made a brief stop here after a visit to Kuwait, Iraq, and Bahrain.

He revealed the total budget of staging the games is about 2.185 billion yuan (about 454 million U.S. dollars) and BAGOC has almost collected the sum through different ways.

Wu stressed that it is a great honor for Chinese people to host the Asian Games.

The BAGOC official also mentioned at the conference that the BAGOC has got full support from A. de O. Sales, president of the Amateur Sports Federation and the Olympic Committee of Hong Kong.

Sales indicated he was confident that China will host the games successfully during his meeting with Wu.

Yao Meiliang Speaks at 'Modern History' Meeting

OW2704060890 Beijing XINHUA Domestic Service
in Chinese 1320 GMT 21 Apr 90

[Text] Beijing, 21 Apr (XINHUA)—More than 300 noted people in history, culture, art, foreign affairs, journalism, economics, and law today gathered at the Great Hall of the People in Beijing to attend a "discussion meeting to commemorate the 150th anniversary of the beginning of China's modern history and carry forward Chinese culture." The participants recalled the heroic and moving deeds of outstanding people in China's modern history and called for the advancement of the spirit of patriotism and working together to revitalize the Chinese nation.

Zhang Jingfu, Sun Qimeng, Wang Hanbin, Cheng Siyuan, Zhuang Yanlin, and Mu Qing attended the discussion meeting, together with other distinguished personages in the cultural and academic circles.

Mr. Yao Meiliang, chairman of the Board of the Nanyuan and Yongfang Groups in Hong Kong, who has for many years made contributions to developing Chinese national culture and promoting construction work

in the motherland, spoke at the discussion meeting. He said: The revitalization of the Chinese nation should start from revitalizing the national spirit. It is a very meaningful thing to commemorate the 150th anniversary of the beginning of modern Chinese history and cherish the memory of great people in the past 150 years, who struggled for the independence and prosperity of the Chinese nation. The Chinese nation is a great nation, full of hope, and will not resign itself to degradation but will work hard for the prosperity of the country. Regardless of all kinds of difficulties and setbacks, the Chinese nation has indomitably survived and has been constantly developing. We overseas Chinese have been proud of this from generation to generation, and have considered this as a spiritual pillar to support our struggles. He said: As long as the descendants of the Yellow Emperor work with concerted efforts and struggle together, China has hope to gradually become rich and strong and the outstanding Chinese culture can also continue forward.

In their speeches at the discussion meeting, a number of participants recalled the heroic and dauntless struggles of the descendants of the Yellow Emperor, including the Overseas Chinese, for the independence, prosperity, democracy, and civilization of the motherland during the 150 years from the Opium War to now. They advocated that, while promoting our country's modernization, we should vigorously unfold education on China's modern history, energetically publicize patriotism and carry forward Chinese culture, because those are important component parts in the building of socialist spiritual civilization.

The discussion meeting was sponsored jointly by the Nanyuan and Yongfang Groups in Hong Kong and "LIAOWANG" Weekly. During the preparation period for the meeting, Li Tieying, Ji Pengfei, Chen Xitong, Liu Fuzhi, Yang Taifang, and Mu Qing respectively met with Mr. Yao Meiliang. They warmly praised his patriotic spirit and expressed their congratulations to the convocation of the discussion meeting.

Beijing Attacks UK Nationality Bill Anew

HK2704024590 Hong Kong SOUTH CHINA
MORNING POST in English 27 Apr 90 p 5

[By Fanny Wong in Beijing]

[Text] China launched another attack on British attempts to internationalise the Hong Kong issue yesterday, saying they were a breach of the Joint Declaration and international law.

Speaking at a weekly news conference of the Chinese Ministry of Foreign Affairs, Ms Li Jinhua said Beijing "would certainly not ignore Britain's unilateral move to change the nationality of some Hong Kong Chinese nationals."

She was replying to a question on how China viewed Britain's plan to persuade other countries to offer a similar nationality package.

"The Foreign Ministry has on many occasions stated our stance," she said.

"There are unequivocal provisions contained in the Chinese nationality law for securing the renunciation and the restoration of Chinese nationality.

"Any attempt to internationalise the question of Hong Kong runs counter to the provisions and the spirit of the Sino-British Joint Declaration and the norms governing international relations.

"This is something that we can never accept," she said.

China has repeatedly stated that it reserved the right to take corresponding measures against the British nationality scheme.

However, Ms Li declined to specify what the measures might be and when they would be taken.

The controversial British offer for full citizenship to up to 50,000 Hong Kong families is currently under discussion by the Sino-British Joint Liaison Group (JLG) in Beijing.

Sharp differences exist and the issue is not expected to be resolved during the session which ends today.

Ms Li also reiterated China's opposition to the proposed Bill of Rights for Hong Kong, saying it had been announced without previous consultation with China.

The draft bill is related to the implementation of the Joint Declaration and will have great impact on Hong Kong's state of affairs after 1997 and should be discussed through the JLG, she added.

This week, the director of the Hong Kong and Macao Affairs Office under the State Council, Mr Ji Pengfei, told a group of Hong Kong lawyers that the bill contravened the Basic Law.

Article Views 'Right of Abode,' 'Human Rights'

HK2604062990 Hong Kong WEN WEI PO in Chinese
24 Apr 90 p 12

[Article by staff reporter Chen Jianping (7115 1696 1627): "China's Standpoint and Views on the "Right of Abode in Britain" and the "Human Rights Bill"]

[Text] Beijing, 23 Apr (WEN WEI PO)—Guo Fengmin, principal representative of the Chinese side of the Sino-British Joint Liaison Group said today that the "right of abode in Britain" and the "human rights bill" issues would be listed on the agenda of the group's forthcoming meeting. Although the inclusion of the "right of abode in Britain" and the "human rights bill" issues in the agenda is an expected occurrence, the fact that it was emphasized by the principal representative of the Chinese side indicates the significance of these two issues in the meeting and the degree to which the Chinese side attaches importance to them.

Now that the meeting will be focused on the discussion of the "right of abode in Britain" and the "human rights bill", what can be expected of it? Because of China's recent tough position on these two issues, people, if they have any expectations at all, can only hope that Britain will be the one to effect changes in its measures. China's basic standpoint on these two issues will not change.

Britain's Measures Violate Sino-British Joint Declaration

With regard to the "right of abode in Britain," the spokesman of China's Ministry of Foreign Affairs and senior officials in charge of Hong Kong and Macao affairs have reiterated, on several occasions, the following standpoints: 1) Britain's measure has violated its own promise in the Sino-British Joint Declaration; 2) this measure will actually result in an attempt to change the concept of "Hong Kong to be administered by the Hong Kong people" into "Hong Kong to be administered by the British people;" 3) this measure will cause Hong Kong society to split further, result in instability in Hong Kong society, adversely affect the confidence of the Hong Kong people, and aggravate the brain drain problem; 4) the internationalization of the Hong Kong people's nationality issue is promoted, so that more Hong Kong compatriots will change their Chinese citizenship. From the aforesaid standpoints stressed repeatedly by the Chinese side, it is apparent that the Chinese side in the meeting will once again urge the British side to change its incorrect measure which is detrimental to Sino-British cooperation and unfavorable to the future of Hong Kong and which harms prosperity and stability.

On the "human rights bill," the Chinese side's standpoint was explained on several occasions by Ji Pengfei, director of the State Council's Hong Kong and Macao Affairs Office when he met with visiting Hong Kong delegations in Beijing. Some legal experts involved in the drafting of the Basic Law also queried the "human rights bill" when our journalists contacted them. The standpoint of the Chinese side can be viewed from two aspects: First, Britain's formulation of the "human rights bill" is something that the Chinese side finds unacceptable. As the "human rights bill" is not a general issue but one which pertains to significant issues such as the "Sino-British Joint Declaration" and the implementation of the Basic Law, Britain should not have introduced the measure in such haste and without first having discussed the issue with the Chinese side. The second aspect concerns the issue of the "bill of rights."

Overstepping of Legislative Authority Attempt To Reduce Basic Law to Nominal Existence

Some Basic Law drafters are of the opinion that querying the "human rights bill" is not the same as querying "human rights." It is not that the Chinese side does not attach importance to the human rights issue. In fact, the Chinese side attaches extreme importance to it, the strongest indication of this being the stipulations in Chapter Three of the Basic Law, which provide the Hong

Kong people with more adequate, extensive, and concrete human rights protection than what they are getting now. Now the problem is the British side has overstepped its legislative authority in its introduction of the "human rights bill". What are the indications that the British side has overstepped its legislative authority? There is one section in this "human rights bill" which specifically deals with the execution of the human rights bill under emergency authority. There is a problem here. It has been stipulated very clearly in the formally-promulgated Basic Law that the central authorities are the party to execute emergency authority. Such an authority vests in the central authorities and not in Hong Kong. How can this responsibility be assumed by another party?

Furthermore, the introduction of the "human rights bill" harbors the actual motive of reducing the Basic Law to nominal existence with the "human rights bill." The British side has stipulated in the "human rights bill" that Hong Kong law will have to be based on the "human rights bill." Basic Law drafters feel that this measure is in conflict with the Basic Law. It has been stipulated very clearly in the Basic Law that Hong Kong law will be based on the Basic Law. How come the British side has come up with another legal base? Isn't this an attempt to use the "human rights bill" to reduce the Basic Law to nominal existence? This is a measure that the Chinese Government finds absolutely unacceptable.

Membership Drop in Pro-PRC Trade Union Reported

HK2704024390 Hong Kong SOUTH CHINA
MORNING POST in English 27 Apr 90 p 5

[By Simon Macklin]

[Text] More than 800 people have resigned from the Federation of Trade Unions (FTU), the territory's largest pro-China force, since last June 4 in an apparent protest against the Beijing massacre.

Two executive committee members of the 170,000-strong labour force have also quit the executive arm, headed by its newly-elected chairman, Mr Cheng, Yiu-tong.

An executive committee source said the loss of membership was largely a result of the military crackdown.

"Given the large membership, it is inevitable that somebody will disagree with the stance of the FTU on the incident. They will consider our response... too mild and weak," he said.

The FTU has rejected the China's description of the seven-week-long movement as counter-revolutionary turmoil.

The source said: "There are still major differences within the executive committee and the federation on the student movement.

Differences within the FTU over the June 4 massacre surfaced in a work report tabled by its executive at a general meeting on Sunday.

The report only briefly mentioned the crackdown.

It said: "After experiencing the incident last year, the political and social development of the country has become more and more stable.

"The economy and production have also grown better. We're pleased with it."

Macao

Zhou Ding Stresses Importance of Macao Stability

OW2604073590 Beijing XINHUA Domestic Service
in Chinese 0609 GMT 19 Apr 90

[By reporter Luo Zhaoming (5012 3564 2494)]

[Text] The promulgation of the Basic Law of the Hong Kong Special Administrative Region is not only of prime importance to Hong Kong's smooth transition and to its prosperity and development, but will also play a vital role in helping the work of drafting the Macao Basic Law, said Zhou Ding, director of XINHUA's Macao Branch and vice chairman of the Committee for Drafting the Basic Law of the Macao Special Administrative Region.

Recently, Zhou Ding visited trade unions of manufacturing and building industries, service units, public utilities, as well as communications and transportation organizations under the Macao Federation of Trade Unions. He held discussions and exchanged views with responsible persons of the 37 trade unions in Macao on questions of common concern among Macao people.

In the course of discussions, Zhou Ding briefed responsible trade union persons on the guidelines set at the recently concluded Third Session of the Seventh National People's Congress [NPC] and the Third Session of the Seventh National Committee of the Chinese People's Political Consultative Conference. Touching on the mainland situation and its relationships with Hong Kong and Macao, he pointed out that the current mainland situation is stable. He said the mainland's stability is very important because if the mainland were not stable, Hong Kong and Macao would be adversely affected, and if Hong Kong and Macao were not stable, their prosperity and development would be out of the question.

He said that the "Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China," discussed and adopted by the NPC, has provided a good example for Macao and is a worthwhile reference. He hoped that trade unions of all professions would show concern about and help promote the work of drafting the Macao Basic Law.

Referring to Macao's situation, Zhou Ding pointed out that at present it is most important to maintain stability in Macao, and that the masses of laborers are the backbone force to safeguard stability and development in society. He urged the broad masses of laborers to continue to carry forward the glorious tradition of cherishing the motherland and Macao, play an active role during the transitional period, promote the exchange of opinions, and strengthen cooperation with other social strata in line with the "one country, two systems" policy to make joint efforts to contribute to the stability and development of Macao's society.

Sino-Portuguese Experts Meeting Closes 26 Apr

*OW2704034390 Beijing XINHUA in English
0025 GMT 27 Apr 90*

[Text] Macao, April 27 (XINHUA)—The experts of the Sino-Portuguese Joint Liaison Group (JLG) winded up their third meeting here yesterday.

During the four-day meeting, they discussed issues relating to the official language, the localization of civil servants and laws for the transitional period of Macao leading to the end of the century.

It was learnt that during the meeting both sides reviewed the efforts made by the local government in dealing with the three major issues. They also exchanged views on how to speed up the resolution of these issues.

Head of the Chinese group, Shao Quanfu, told XINHUA that the meeting proceeded in a harmonious atmosphere with positive results. Over the past year, the Macao government did a lot of work in resolving these three problems and had a good start, he said.

But he stressed that this is only the first step to resolve these problems and he hoped that both sides should

continue to enhance their cooperation and make practical the consensus reached between the two sides.

Shao also said they have urged the Portuguese side to work out concrete plans and targets for the resolution of these problems. The Chinese side will provide active cooperation, he said.

Macao Basic Law Delegation Leaves for Beijing

*OW2404001390 Beijing XINHUA Domestic Service
in Chinese 1115 GMT 16 Mar 90*

[By Reporter Luo Zhaoming (5012 3564 2494)]

[Text] Macao, 16 Apr (XINHUA)—At the invitation of the Committee for Drafting the Basic Law of the Macao Special Administrative Region, a 20-member delegation of the Macao Basic Law Consulting Committee headed by its chairman Cui Deqi left Macao for Beijing this morning.

During its stay in the inland, the delegation will, in addition to visiting historical sites in Beijing and Xian, hold talks with inland members of the Basic Law Drafting Committee.

Before departure, Cui Deqi told reporters that the primary purpose of the visit is to strengthen exchanges with inland members of the drafting committee and directly reflect to them and relevant departments Macao residents' views on the draft Basic Law. He said: We are convinced that with the common efforts of the members of the drafting and consulting committees and people of all circles in Macao, we certainly will be able to produce a basic law that conforms to the wishes of mainland and Macao residents.

Zhou Ding and Ke Zheng, director and advisor respectively of the Macao Branch of the XINHUA NEWS AGENCY, saw the delegation off at the airport.

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